



DEPARTMENT OF THE NAVY
OFFICE OF THE CHIEF OF NAVAL OPERATIONS
WASHINGTON, DC 20350-2000

IN REPLY REFER TO

OPNAVINST 1710.2E
Pers-65
24 May 1993

OPNAV INSTRUCTION 1710.2E

From: Chief of Naval Operations

Subj: NAVY FLYING CLUB PROGRAM

Encl: (1) Navy Flying Club Instruction

1. Purpose. To issue revised policies, procedures and responsibilities for the Navy Flying Clubs. This instruction is a complete revision of OPNAVINST 1710.2D and should be reviewed in its entirety.
2. Cancellation. OPNAVINST 1710.2D.
3. Scope and Content. Enclosure (1) contains essential information regarding the establishment, operation, and disestablishment of Navy Flying Clubs. The provisions of this instruction are applicable to all personnel and commands involved with or sponsoring Navy Flying Clubs.
4. Revisions. Recommendations for revision of this instruction are invited and should be submitted to the Chief of Naval Personnel (CHNAVPERS) (Pers-65) via the chain of command.
5. Action. Commands now sponsoring Navy Flying Clubs, or contemplating establishment of a flying club, will review the contents of this instruction against present or proposed flying club procedures to ensure compliance.
6. Reports and Forms

a. The following reports are approved for 3 years from the date of this instruction:

<u>Report Symbol</u>	<u>Title</u>	<u>Para/Appen</u>
BUPERS 1710-18	Navy Flying Club Annual Report	904/A
BUPERS 1710-19	Report of Establishment/ Disestablishment of a Navy Flying Club	105, 106, 906
BUPERS 1710-20	Report of Navy-Loaned Aircraft Out of Service	303c/C



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BUPERS 1710-21	Navy Flying Club Aircraft Accident/Mishap Report	902c (2)/D
BUPERS 1710-22	Navy Flying Club Unusual Occurrence Report	903/E
BUPERS 1710-23	Report of Receipt/Transfer of Navy Loaned Aircraft	303

b. DD 1348-1 (Mar 74), DOD Single Line Release Receipt Document (S/N 0102-LF-013-1040) is available from the Navy supply system using requisitioning procedures contained in NAVSUP P-2002, Navy Stock List of Publications and Forms.

c. The following forms may be obtained from the nearest Federal Aviation Administration (FAA) Flight Standards District Office:

(1) AC 8050-1 (Aug 84), Certificate of Aircraft Registration (FSN 0052-00-628-9005)

(2) AC 8050-2 (Aug 85), Aircraft Bill of Sale (FSN 0052-00-629-0002)

(3) NTSB 6120.1/2 (May 89), Pilot/Operator Aircraft Accident Report



R. J. ZLATOPER

~~Deputy Chief~~ of Naval Operations
(Manpower & Personnel)

Distribution:

SNDL A2A (Department of the Navy Staff Offices)
A5 (BUPERS)
B5 (U.S. Coast Guard) (Headquarters, only)
B6 (Other Government Agencies) (FAA, only)
21A (Fleet Commanders in Chief and Detachment)
23 (Force Commanders)
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42A (Fleet Air Commands)
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E7A (Audit Service Headquarters)
E7B (Audit Service Region)
FJ (Shore Activities under the Command of CHNAVPERS as delegated by the CNO)(less FJA1)

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LOCATOR CROSS-REFERENCE SHEET

Subj: Navy Flying Club Program

Location: _____

(Indicate location(s) of the copy(ies) of this
manual.)

Enclosure (1)

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RECORD OF CHANGES

Change Number	Date of Change	Date Received	Date Entered	Signature Person Making Change

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NAVY FLYING CLUB MANUAL

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Chapter I

GENERAL INFORMATION

101. Purpose. To issue revised policies, procedures, and responsibilities for the operation of Navy Flying Clubs in a manner that promotes morale, fiscal soundness, operational safety, and the best interests of the U.S. Navy.

102. Aims of the Flying Club Program. To provide an off-duty, voluntary activity in the interest of morale, welfare, and recreation. Flying clubs shall be operated to:

a. Provide active duty military personnel, their families, and other authorized personnel an opportunity to develop skills in aeronautics, including piloting, navigation, mechanics, and other related aero sciences.

b. Encourage an awareness and appreciation of aviation requirements and techniques.

c. Provide a facility designed to meet a recreational need for low-cost, safe, light aircraft operations.

d. Provide a social program in the interest of promoting club activities and morale.

103. Status of Flying Clubs. Flying clubs are designated in NAVSO P-3520 as Category C Morale, Welfare, and Recreation (MWR) activities. While flying clubs are voluntary, off-duty, and self-supporting activities, they enjoy the status of a nonappropriated fund (NAF) instrumentality of the Federal Government and shall be so operated under the supervision of the U.S. Navy. As instrumentalities of the Federal Government, Navy Flying Clubs shall not be incorporated under state or local law. The assets of Navy Flying Clubs are assets of the U.S. Government.

104. Scope. The policies and procedures contained in this instruction are applicable to all Navy Flying Clubs, their sponsoring activities and members, regardless of location. All personnel responsible for implementing a Navy Flying Club program will also comply with applicable procedures published in Federal Aviation Regulations (FARs) and National Transportation Safety Board (NTSB) regulations. Clubs sponsored by activities outside the United States may request from the program manager, the Chief of Naval Personnel (CHNAVPERS), via the chain of command, and the Chief of Naval Operations (CNO) (N88), waivers to this

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instruction as necessary to comply with the rules and regulations of the host country. Waivers of any other portions of this instruction will be directed, via the chain of command, to CHNAVPERS who will coordinate the request as necessary with other interested offices and staffs.

105. Establishment

a. Commanders and commanding officers of naval activities (hereafter referred to as commanding officers) are authorized to sponsor flying clubs within their respective commands. Each flying club shall carry the name of its activity's location. For example, a club formed at Naval Air Station, Norfolk, would be named "Norfolk Navy Flying Club." To establish a flying club, the commanding officer shall:

(1) Conduct a base-wide survey to determine:

(a) The potential size of the club.

(b) The growth potential of the club.

(c) The type of flying desired, such as student, cross-country, or flight training for additional ratings.

(d) The potential for fiscal solvency of such a club.

(2) Call a meeting of interested people to study the results of the survey. If results indicate that it is feasible to establish a flying club, concerned personnel shall prepare a proposed charter.

(3) Appoint an interim flying club manager.

(4) Appoint individuals eligible for and interested in membership to direct the club temporarily until elected and duly appointed advisors officially assume duties. These individuals will familiarize themselves with the contents of this instruction and other governing directives. Additionally, they shall:

(a) Form a Board of Directors (BOD).

(b) Write initial club instructions including, but not limited to:

1. Membership categories and BOD member positions.

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2. Membership application, registration, and expulsion procedures.

3. Duties and responsibilities of each BOD member.

4. Quorums and meetings.

5. Aircraft scheduling procedures.

6. Flight regulations (training, local area, cross-country, emergency recall, etc.) and enforcement procedures.

7. Safety (to include loss control program(s) and pre-mishap plan).

8. Maintenance.

b. Authority to establish a Navy Flying Club shall be requested by letter from the commanding officer, via the chain of command, to CHNAVPERS. Club aircraft may be based aboard the sponsoring activity where adequate facilities exist. Basing the club aboard the sponsoring activity lends itself to better supervision of the club. A statement shall be included listing the facilities to be made available to the club, affirming that provision of facilities or services will not interfere with the mission or operations of the command. In some cases, however, basing clubs at nearby, adequate civilian airfields may be more appropriate. The location at which club aircraft are to be based, operated, and maintained shall also be specified. Additionally, the following items shall be included:

(1) Charter.

(2) Initial instructions.

(3) Financial plan including proposal for obtaining operating capital (if required).

c. Upon receipt of written approval for establishment of a Navy club, the commanding officer shall ensure the club does not commence operation until:

(1) Provisions required by this instruction have been satisfied.

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(2) A preoperational inspection has been conducted by the sponsoring activity's operations, maintenance, safety, and internal review staffs. When completed, the inspection team will brief the commanding officer, flying club manager, and flying club BOD. The manager will then ensure that all discrepancies are corrected and furnish a copy of the inspection report, BUPERS 1710-19, with corrective actions noted, to the commanding officer. The commanding officer's written approval of the report with corrective actions shall be forwarded to CHNAVPERS as an enclosure to a letter requesting authority to commence operation.

d. Flight operations may begin only upon receipt of final approval from CHNAVPERS.

106. Disestablishment. Disestablishment shall be effected per NAVSO P-3520. The commanding officer shall report disestablishment of a Navy Flying Club by letter, via the chain of command, to CHNAVPERS, stating the estimated date of final dissolution. If the club has an aircraft on loan from the Navy, disposition instructions shall be requested from CNO (N88). Upon receipt of notification that a Navy Flying Club is to be disestablished, the commanding officer, assisted as required by the chain of command and the program manager, will take such action deemed necessary to preclude careless or extravagant expenditure of assets prior to dissolution of the fiscal entity. During the period up to actual closing, disbursements will be limited to essential expenses, future commitments will be cancelled, and contractual agreements renegotiated or cancelled. Disposition of club-owned fixed assets and inventories will be accomplished per NAVSO P-3520, paragraph 310. Residual cash assets of disestablished clubs will be reported by the commanding officer, via the chain of command, to the program manager who will provide instructions for distribution.

Should an individual club default on payment of a loan or other obligation or be disestablished with insufficient assets to liquidate outstanding obligations, the remaining clubs in the program may be subject to assessment as necessary to cover any shortages. Such a default, however, would reflect adversely on the management procedures and capability of the command which established that club. Upon completion of the dissolution process, a terminal audit of the flying club will be performed and a final certified report of operations will be prepared in the format of the Annual Report (appendix A). This final report will be forwarded to CHNAVPERS (Pers-656GA).

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CHAPTER II

MANAGEMENT, ORGANIZATION, AND ADMINISTRATION

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Chapter II

MANAGEMENT, ORGANIZATION, AND ADMINISTRATION

201. General Responsibilities. The CHNAVPERS is the Program Manager for Navy Flying Clubs. Administration and supervision are command functions of the activity establishing the club pursuant to regulatory control by the Department of the Navy, the program manager, and the chain of command. The CNO (N88) and the Commander, Naval Safety Center, will provide aeronautical and technical expertise in support of the Navy Flying Club program as required.

a. Program Manager. The program manager is responsible for execution of the Navy Flying Club program, including:

(1) Coordinate the provision of policy, technical guidance, and oversight for overall administration of day-to-day operations of Navy Flying Clubs.

(2) Maintain records of active and disestablished clubs, aircraft inventories, contacts' names and phone numbers, addresses, financial condition, etc.

(3) Maintain liaison with individual club officials and local and intermediate commands to provide policy interpretation, advice, and assistance.

(4) Coordinate centrally provided support to the Navy Flying Club program such as data processing, accounting oversight, and insurance matters.

(5) Conduct on-site reviews of local flying club operations as necessary to ensure adequate program management oversight.

b. The program manager has the responsibility to temporarily suspend operations for any questionable act or omission affecting flight safety and shall make an immediate report to the commanding officer of reasons for suspending operations. The commanding officer, after investigation, has final authority in the permanent suspension of operations.

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202. Sponsoring Activity Responsibilities. The sponsoring commanding officer shall:

a. Ensure, within the capabilities of the command, that the club has hangar, ramp space, and other facilities such as classroom, meeting, or maintenance spaces. If adequate base facilities are not available, or their use would impinge on operational requirements, the commanding officer may authorize the club to operate at a nearby, adequate civilian airport. If the use of civilian facilities is acquired by a lease the lease agreement must be approved by CHNAVPERS. Any lease for use of facilities at a civilian airport shall permit inspection by the U.S. Navy.

b. The commanding officer shall also appoint, in writing, a:

- (1) Command operations advisor (paragraph 402)
- (2) Command safety advisor (paragraph 503)
- (3) Command maintenance advisor (paragraph 603)

c. The commanding officer shall ensure:

(1) The flying club manager has developed administrative and operational procedures that comply with this instruction, Federal Aviation Regulations (FARs), and National Transportation Safety Board (NTSB) regulations.

(2) Club financial planning, accounting, personnel/payroll, insurance, and procurement procedures comply with appropriate SECNAV, OPNAV, NAVCOMPT, and CHNAVPERS directives as listed in Appendix H.

(3) The club coordinates and maintains a working relationship with local Federal Aviation Administration (FAA) personnel.

(4) The club has a quarterly safety, maintenance, and management inspection.

(5) That flying clubs are included in all command inspection evaluations.

(6) That the command appointed advisors maintain liaison with the club by attending BOD meetings, safety meetings, club standardization meetings, etc., on a periodic basis to the degree necessary to ensure compliance with this instruction and FARs.

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203. Annual Inspection. The sponsoring commanding officer shall conduct an unannounced annual inspection of the Navy Flying Club. The inspection team (made up of command representatives from safety, operations, maintenance, supply or internal review staff), shall use the checklist in Appendix B and the financial procedures contained in NAVSO P-3520 as guidance for accomplishing the review. The report of inspection will be provided to the Navy Flying Club for action. A complete inspection report with notations of corrective action taken will be provided to the sponsoring commanding officer within 45 days of completion of the inspection. Actions which have not been taken within that period will remain open until completed. A copy of the most recent annual inspection report will be included as an enclosure to the Navy Flying Club Annual Report.

204. Board of Directors (BOD). The BOD shall consist of at least five voting members. The majority of the BOD should be active duty military personnel. In the event that this is not possible, the remaining vacancies may be filled with retired military personnel.

a. Voting members of the BOD are the president, vice president, treasurer, operations officer, safety officer, and maintenance officer. These members are elected from the general membership. Additional members may be elected or appointed as determined locally. The club manager is a non-voting advisory member of the BOD. When the flying club is based aboard a naval activity, the command safety officer and the operations officer shall attend the BOD meetings in a non-voting advisory capacity.

b. The BOD shall meet as necessary, but no less than quarterly and keep minutes which indicate the attendance of all members (including appointed advisors). The president shall sign completed minutes and forward them for approval to the commanding officer. Approved BOD minutes do not constitute authority for the obligation or expenditure of nonappropriated funds. This authority is obtained through established budget procedures.

c. The BOD will assist the manager to ensure the club operates in a safe, efficient, and businesslike manner. Operation of the club is the direct responsibility of the commanding officer including implementation of FAA policy, safety, maintenance, and flight procedures. The BOD may consider and recommend (in its meeting minutes) items such as club hours of operation and associated work schedules; membership fees; sales and acquisitions, lease, and disposal of aircraft; aircraft rental rates; flight instructors to be used; and gross profit objectives. The BOD is responsible for ensuring implementation

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of the commanding officer's directives and guidance. The BOD has supervisory authority over members' flying privileges whenever their involvement in acts of drug/alcohol abuse, willful misconduct, or gross negligence have been substantiated by investigation and reviewed by appropriate authorities.

205. Members of the BOD. Members may hold only one voting position on the BOD. Specific duties and responsibilities shall be written for each position. Each BOD shall have the following members:

a. President. Serves as the spokesperson and shall preside at all club and BOD meetings.

b. Vice President. Assumes the powers and duties of the president when the president is absent or disabled.

c. Operations Officer. Responsible for club flying operations. This individual must work closely with the commanding officer, command operations officer, and chief flight instructor. The operations officer shall monitor the training programs for the different aircraft the club operates to ensure effective standardization programs. The operations officer shall be at least a private pilot with 200 flying hours.

d. Safety Officer. Shall conduct an aggressive mishap prevention program following Chapter V. The safety officer shall be at least a private pilot with 200 flying hours.

e. Maintenance Officer. Shall manage the maintenance program following Chapter VI. The maintenance officer should be at least a private pilot with 200 flying hours and should have a background in aircraft maintenance. An FAA airframe and powerplant (A&P) mechanic's certificate is desirable.

f. Secretary. Shall serve as the club recorder and keep the minutes of the BOD and general membership meetings. The secretary shall notify BOD members and staff personnel of BOD meeting times and dates and disseminate information to BOD members.

g. Treasurer. A club's treasurer has the basic responsibility of keeping the BOD and members fully aware of the club's financial condition. No money should pass into or out of a club's bank account without the knowledge of the treasurer. The treasurer has the responsibility for billing members, signing all checks (with a co-signer), sending financial statements to all members and paying all the bills.

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The treasurer should be authorized to meet monthly obligations such as hangar fees, aircraft payments, and insurance premiums without having to get club approval when each comes due. The treasurer's job is one where prior financial experience is almost mandatory. In view of the amounts of money involved, a club should give serious consideration to having its treasurer bonded.

h. Commanding Officer Appointees. Serve as non-voting advisors and provide professional guidance to various club personnel. They are not required to join the club unless they participate in flying activities.

i. Members-at-Large. May represent the membership at BOD meetings or chair committees such as membership, publicity, etc., in a non-voting capacity.

206. Club Manager. Each Navy Flying Club shall have a manager. The club manager may be a full- or part-time employee of the flying club or be a non-paid volunteer appointed by the commanding officer. The employment of personnel by a Navy Flying Club is governed by SECNAVINST 5300.22C (NOTAL) and NAVMILPERSCOMINST 5300.1. The provisions of SECNAVINST 5300.22C (NOTAL) with respect to retired and active duty military personnel must be adhered to strictly.

a. Flying club managers work under the general supervision of the commanding officer. The BOD shall be provided an opportunity to comment on any contemplated personnel actions affecting the club manager.

b. The manager shall conduct the club's daily business using the club instructions, this directive, and applicable Department of Defense (DOD), Navy, FAA and NTSB regulations including but not limited to those listed in appendix H. The manager shall ensure that club facilities are kept clean and orderly, shall coordinate club activities and shall thoroughly understand and discharge all assigned responsibilities which include but are not limited to:

(1) Maintaining a flight schedule for all flights on a first-come, first-served basis.

(2) Maintaining bulletin boards, charts, status boards, and the pilots information file (PIF).

(3) Membership and training folders, flight currency record, PIF, safety, and annual currency records.

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(4) Immediately reporting mishaps, overdue aircraft, or other information pertinent to safety to the commanding officer, club and command safety and operations officers.

(5) Checking club supply functions to ensure proper control and storage of equipment and prompt disposal of excesses.

(6) Monitoring the performance of all contractors to ensure they comply with all provisions of their contract. Instances of non-compliance or non-performance will be documented and reported to the BOD and the commanding officer for appropriate action.

(7) The manager has the responsibility and authority to stop any flying club pilot, local or transient, from flying when, in his or her judgement, flight safety may be compromised.

(8) Establish mandatory equipment list for survival gear for type of flight being flown.

207. Chief Flight Instructor. The chief flight instructor shall be a certified flight instructor appropriately rated for all pilot training courses offered. The manager shall designate the chief flight instructor. The chief flight instructor supervises and monitors the activities of all club instructors. The chief flight instructor shall develop standard operating procedures (SOP) to be used by all club instructors. These SOPs are part of the club instructions required by this directive. They shall contain, as a minimum, the following:

- a. Flight instructor's duties and responsibilities.
- b. Standardization of flight training procedures.
- c. Endorsement requirements for student certificates and logbooks as required in FAR, part 61.
- d. Procedures for maintaining training records and folders.

208. Flight Instructors. May be retained as employees or through services contracts. In both cases, care should be exercised to avoid conflicts with directives governing Dual Compensation and Dual Employment (FPM Supplement 990-1) and Standards of Conduct (SECNAVINST 5370.2J). The employment of personnel by the flying club shall be according to SECNAVINST 5300.22C and NAVMILPERSCOMINST 5300.1.

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a. Contract instructors shall not perform duties until a properly executed contract has been approved and signed. Contracts shall be renewed on an annual basis.

b. Club employees may perform duties as flight instructors when their job descriptions include such duties and all fees and revenues from such duties are paid to the club with no additional gain to the employees. However, employees whose job descriptions do not include flight instructor duties may be contracted to provide flight or ground instruction for compensation during off-duty hours (evenings, weekends, and holidays).

c. No person shall instruct without an initial standardization flight check with the chief flight instructor.

d. Each flight instructor shall hold a valid flight instructor certificate.

e. All payments for flight instruction charges will be made to the club. Flight instructors will not be directly remunerated by students.

f. Commanding officers may grant a waiver to permit an individual member of a flying club BOD to serve as club mechanic, flight or ground instructor; however, the waiver will prohibit these individuals from making recommendations or voting on recommendations on any matter pertaining to instructor duties or rates of compensation. Waivers for BOD members to serve in other club positions for compensation are prohibited.

g. Managers who are employees of a flying club do not ordinarily perform duties as flight instructors. The commanding officer may authorize the manager to perform these duties as an employee but shall ensure the manager's job description includes these duties and states the minimum number of hours to be worked each day as manager.

209. Categories of Membership. The following membership authorizations for participation in Navy Flying Clubs shall be followed. Commanding officers may issue amplifying instructions for determining membership priority order and guidelines for suspending, terminating, or denying eligible participants the use of flying club facilities when such action is determined to be in the best interest of the Navy, the activity and/or the club. In no instance shall participation be authorized for individuals in a priority group without members in all higher priority groups having first been authorized. In those cases where participation privileges are extended to guests, the guests shall assume the

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priority of and be accompanied by their sponsors. The commanding officer may prescribe guest privilege limitations.

a. Membership shall be on a voluntary basis and subject to final approval by the BOD. The club manager should have interim approval authority.

b. There are two categories of membership: regular and introductory. Introductory membership may be extended to an individual who is eligible for regular membership. Introductory membership shall not exceed 60 days and is not renewable within 2 years. Introductory members may receive up to 6 hours of dual instruction at prevailing rates. No other privileges may be given.

c. The BOD may authorize inactive status for a member. If so authorized, and if requested by the member in writing, the club manager may approve inactive status during periods of extended absences (generally 60 days or more). Members in inactive status may be required to pay a minimum monthly fee to cover administrative costs of maintaining membership.

d. Regular membership may be extended on a space-available basis in the following priority order to:

(1) Active duty military personnel and their dependents assigned to the installation or directly supported by it through intra or interservice support agreements.

(2) Navy active duty personnel and their dependents not assigned to the installation.

(3) Active duty personnel and their dependents of other military services, including U.S. Coast Guard personnel.

(4) Military personnel retired with pay and their dependents.

(5) One hundred percent disabled veterans and their surviving spouses and dependents; Medal of Honor recipients and their surviving spouses and dependents.

(6) Members of reserve components while in a drill status, all members of the selected Reserve and their dependents. Reserve or National Guard personnel applying for membership shall attach to their membership application a copy of official orders showing their present Reserve or National Guard status and sign a

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statement on the application agreeing to notify the club to terminate their membership should their status change making them ineligible for membership.

(7) Unremarried former spouses of military personnel who died while on active duty or while in a retired status and their dependents.

(8) Military personnel of foreign nations and their dependents who are authorized exchange privileges in Continental United States (CONUS) or overseas or when assigned to the installation.

(9) Unremarried former spouses and other dependents entitled to commissary, exchange, and theater privileges.

(10) U.S. Naval Academy midshipmen; cadets of the Army and Air Force Academies; officer candidates when in an active duty training status; and Reserve Officer Training Corps (ROTC) cadets and midshipmen, when on active duty during college vacation periods.

(11) DOD civilian employees and their dependents stationed in Alaska and Hawaii, all U.S. territories and possessions and foreign countries, who are authorized exchange privileges.

(12) DOD contract employees and their dependents, who are authorized exchange, commissary, and theater privileges.

(13) Full-time DOD civilian employees paid from appropriated or nonappropriated funds and their dependents.

(14) Retired DOD civilians with unbroken membership.

(15) Others who support the mission of DOD as determined by the commanding officer, such as FAA and Civil Air Patrol personnel.

(16) Requests for other authorization or waivers to membership eligibility may be forwarded to CHNAVPERS by the commanding officer via the chain of command.

210. Selection of Members. To become a flying club member:

a. Prospective members must submit an application to the Navy Flying Club and pay monthly dues and initiation fees. Initiation fees may be deferred for introductory members. A

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letter of good standing from another military flying club may be used instead of initiation fees. Each new member shall receive orientation in club procedures and local conditions and be assigned an instructor for check-out or flight instruction as appropriate.

b. The manager will review all applications for compliance with this and other instructions before issuing interim membership privileges. The BOD reviews and approves or disapproves all applications at the next regular meeting.

c. Subsidization of membership dues, when such subsidization is not available to the general membership (e.g., to offset minimum monthly flight time expenses), is not authorized.

211. Members' Privileges and Responsibilities. All regular members in good standing are entitled to all privileges and benefits of the club. Each club member shall:

a. Be familiar with and comply with all directives.

b. Pay established dues. The manager and BODs may recommend lower dues and initiation fees for additional members of a family or as a temporary recruiting initiative with the commanding officer's written approval.

c. Assist the manager and other club officials in the daily operation of the club.

212. Transfer of Membership. When a flying club member transfers from one location to another, initiation fees shall be waived at the new location if a member presents a letter of good standing from the last military flying club attended and if the prospective member meets the requirements of this instruction. Letters of good standing over 1 year old must be verified prior to acceptance. Flying clubs will not issue a letter of good standing if:

a. The member has not accounted for and returned all club equipment and supplies.

b. The member has not settled all outstanding bills.

c. The member was removed or suspended for just cause.

213. Interclub Flying. Interclub flying is authorized. A member in good standing in a Navy Flying Club or other Armed Forces Flying Club may fly an aircraft belonging to a Navy Club

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if such flying does not conflict with the scheduled flying of local club members, does not pose a financial burden to the host club and if the pilot complies with all club regulations.

a. The visitor must show proof of good standing in a military flying club and present pilot status. The visitor must also complete a satisfactory local area check-out conducted by a host club instructor.

b. Visiting members are not charged initiation fees and monthly dues by the host club unless they are in an inactive status and not paying dues at their home club.

214. Membership and Training Folder. Flying clubs shall maintain a membership and training folder for all members. A club member's records remain active so long as the member remains active. Membership and training folders are given to the member on termination or transfer of membership, provided the member's account has been cleared and no investigation is pending related to the member. The folders shall contain, as a minimum:

- a. Membership application.
- b. Copy of current medical certificate.
- c. Copy of individual pilot certificates.
- d. Official orders (Guard or Reserve personnel only).
- e. Written course rules exam corrected to 100 percent.
- f. Covenant Not To Sue and Indemnity Agreement (not required from active duty military personnel).
- g. Check-out records for each type aircraft.
- h. Annual standardization and biennial flight review records.
- i. Any other information which may be required by the individual club.

215. Pilot Information Card. The flying club manager shall maintain an up-to-date Pilot Information Card on each club member. This card shall be available at all times in the club operations center and shall be the basis for determining the pilot's currency and qualification level.

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216. Covenant Not To Sue and Indemnity Agreement

a. Each flying club member or passenger who is not an active duty member of the Armed Forces of the United States will not be permitted to operate or ride in a club aircraft until he or she executes a locally prepared Covenant Not to Sue and Indemnity Agreement (appendix F).

b. A new covenant will be executed at least once each 12 months.

c. One member of a family may not execute the document for the entire family.

d. In the case of a minor, a parent or legal guardian will execute the document on behalf of the minor.

217. General Membership Meetings. General membership meetings shall be held at least once a year to conduct business and elect BOD members.

218. Aircraft Authorized Utilization. Flying club aircraft are authorized for temporary duty (TDY) travel, when normal government conveyance is not available. Specific guidance for their use may be found in the Joint Federal Travel Regulations (JFTR). If more than one person travels in the TDY aircraft, only the pilot will be reimbursed for TDY travel.

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CHAPTER III

AIRCRAFT, EQUIPMENT, AND SUPPLIES

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Chapter III

AIRCRAFT, EQUIPMENT, AND SUPPLIES

301. Acquiring Aircraft. The flying club shall have an aircraft acquisition program which is approved by the commanding officer. This program must use the club's operational and financial plans and be the basis for purchasing, lease-purchasing, leasing on an exclusive-use basis or using government loaned aircraft to meet membership needs. All procurement arrangements shall result in true operational control of the aircraft by the flying club. All aircraft controlled by a club, regardless of source of procurement, shall be available for the equal benefit of all members. Appropriated funds shall not be used for the purchase of civilian or the use of military aircraft. Normally, civilian aircraft will be procured for club use by direct purchase, lease-purchase, lease, rental or a combination of these methods. Flying clubs are not authorized to draw surplus government property in their own name. Flying clubs may purchase surplus government property offered for sale to the general public through the disposal system. Lease or rental agreements shall provide for exclusive control by the club during the period of the agreement. BUPERS non-government owned aircraft on loan to a Navy Flying Club may not be sold without written permission of the program manager. In the event funds are not available from resources of the individual club for the desired method of procurement, the following procedures apply:

a. Loan of funds shall be solicited only in the name of the flying club under the supervision of the commanding officer. Individual members of clubs are prohibited from acting as co-signers for loans to clubs for any reason including aircraft procurement. Club aircraft shall be registered in the name of the flying club as government aircraft. Therefore, a co-signer's rights under the law would be abrogated.

b. DOD regulations, as implemented by the Comptroller of the Navy, require loan of funds first be solicited from other sources within the Navy. An example of such a source is another Navy Flying Club or if available from nonappropriated funds held by CHNAVPERS specifically for that purpose. Requests for such loans from funds administered by BUPERS will be forwarded to CHNAVPERS (Pers-656GA). Loans from these sources shall be made on a guaranteed basis with interest. Collateral for all loans shall be protected by insurance per Chapter VIII.

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c. When funds cannot be made available from another Navy source, cross-service borrowing is encouraged. Commercial borrowing shall be obtained only as a last resort. Approval for either cross-service or commercial borrowing must be obtained in writing. Requests should be forwarded to the Comptroller of the Navy via the CHNAVPERS. Collateral for approved cross-service or commercial loans shall be protected by insurance under Chapter VIII.

302. Factors to be Considered in Acquiring Aircraft. As a minimum, the following factors must be considered before acquiring aircraft:

a. Membership Needs. Fleet type and size must be tailored to the membership size and activity level. A small member-to-aircraft ratio may result in lower aircraft use and increased fixed operating costs (insurance, depreciation, and so on) per flying hour.

b. Maintenance Cost Per Flying Hour. Weigh the average cost per flying hour for routine maintenance, inspections, repair, engine overhaul or replacement, and modification against the fees charged per flying hour.

c. Fixed and Variable Cost Obligations. Consider the effect of high depreciation, insurance costs, and lower maintenance costs of a newer aircraft versus lower depreciation, insurance costs, and higher maintenance and upkeep on a older aircraft may be more cost-effective if the aircraft is not kept for a long term.

d. Operational Use of the Aircraft. If needed for training, a standardized type of aircraft for students in primary training will increase efficiency of scheduling, supervision, and safety. Complex aircraft (multi-engine, retractable gear, multi-place, IFR, etc.) may place an undue hardship on the club members' capability to operate such aircraft safely and economically. All flying club aircraft shall have dual flight controls.

e. Financial Obligations. The financial condition of the club must be stable enough to support the acquisition of all aircraft and associated equipment. A budgeted projection of income and operating costs as well as cash flow is needed to reach a sound financial decision.

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303. Government-Loaned Aircraft. Military aircraft suitable for flying club use and in excess of military requirements may be made available to flying clubs on a loan basis at no cost, subject to recall. Requests for military aircraft including aircraft from other military services shall be submitted by the commanding officer to CNO (N88), via the chain of command, and CHNAVPERS with a copy to the Commander, Naval Air Systems Command (COMNAVAIRSYSCOM) (AIR-4121C). Flying clubs will obtain specific approval for acquisition of any government-owned aircraft.

a. Upon receipt or transfer of a government-owned aircraft, the commanding officer shall submit a letter report, BUPERS 1710-23, to the COMNAVAIRSYSCOM (AIR-4121C) with copies to CHNAVPERS (Pers-656) and CNO (N88). COMNAVAIRSYSCOM will prepare the OPNAV X-Ray report. The report shall include:

- (1) The name of the flying club;
- (2) Activity aircraft received from or transferred to;
- (3) Date of transaction; and
- (4) Aircraft type, model, series and bureau number.

(5) The statement that "All Military Distinctive Insignia has been removed from the aircraft."

b. When excess DOD aircraft are made available for flying club use, they are assigned in an "as-is, where-is" condition. Therefore, the gaining club must make any repairs and move the aircraft to the new home base. All clubs shall:

(1) Maintain all loaned aircraft and engines, including spare engines, in complete condition. Cannibalization of loaned aircraft and engines, including spare engines, is prohibited.

(2) On receipt of loaned aircraft:

(a) Remove other services military insignias, or distinctive markings from the aircraft. Such markings include "U.S. Army," "U.S. Air Force," etc. Also remove any other distinctive agency markings such as "Navy Recruiting," "Federal Emergency Management Agency," etc. "Navy Flying Club Monterey" is acceptable.

(b) Register aircraft with the FAA as explained in paragraph 307.

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(c) Maintain government-loaned aircraft in an airworthy condition according to FAA regulations.

c. A message report, BUPERS 1710-20, in the format shown in appendix C, shall be submitted by the commanding officer to CNO (N88) with copy to CHNAVPERS (Pers-656) and COMNAVAIRSYSCOM (AIR-4121C) as follows:

(1) When a Navy-loaned aircraft is out of service for 90 days.

(2) Every 30 days thereafter until the aircraft is returned to service.

(3) As a final report upon return of the aircraft to service.

d. When a government-loaned aircraft is involved in an accident or incident, follow the reporting requirements in chapter IX.

304. Aircraft and Engine Replacement Parts. After government-loaned or club-purchased aircraft are acquired, there is a continuing need for replacement parts. The military supply system is a potential source for replacement parts, on a fully reimbursable basis, only if parts are excess to operational requirements.

a. The host activity supply officer shall acquire or make available to the club the supply publications and documents needed to identify items required.

b. The club must acquire at its own expense a copy of the aircraft manufacturer's parts catalog for club-owned aircraft and for government-loaned aircraft when the publication is not available through the host activity.

c. The host activity shall obtain and provide the club with technical directives for the maintenance and use of government-loaned aircraft and equipment.

305. Supply Support and Accounting Procedures. The Naval Supply Systems Command Manual, Volume 2, Supply Ashore and NAVSO P-3520 govern supply and accounting procedures for flying clubs.

a. Navy Flying Clubs, as instrumentalities of the Federal Government, can legally purchase, on a fully reimbursable basis,

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petroleum products and material in support of club-owned aircraft just as they can for government aircraft on loan to the club. Purchases under these provisions shall be for the use of the club only, and shall not be resold to any individuals including members of the club. Use of government sources of supply for petroleum products, on a reimbursable basis, is authorized for leased aircraft. Use of this source of supply for other material support of leased aircraft is prohibited. Supply activities may provide necessary parts and supplies through other government agencies, on a fully reimbursable basis, for the direct support of government-owned and leased aircraft.

b. The uniform chart of accounts provided in NAVSO P-3520 applies to the recording of accounting transactions. The supplementary chart of accounts in appendix A provides additional guidance for use by Navy Flying Clubs. Where differences exist between NAVSO P-3520 and any other accounting system or guidance, the provisions of NAVSO P-3520 take precedence.

306. Inventories. Flying clubs are authorized to maintain an in-house inventory of aviation-related resale merchandise and aviation petroleum, oil, lubricants, and aircraft spare parts. All clubs shall limit merchandise sales to items that directly support club activities.

a. Spare parts inventories consist primarily of items which will prevent long aircraft or equipment down time. This inventory normally includes items which have a high turnover rate (such as air and oil filter elements), items purchased in bulk for discount purposes (such as spark plugs and tires) and items which are not readily available (such as flight instruments). Inventory levels will be established based on consumption rates and adjusted as necessary for cost-effectiveness. The objective is to establish an inventory large enough to meet operational needs, yet small enough to control and manage with minimum time and effort.

b. In addition to these inventories, a bench stock of low-cost items (such as nuts, bolts, screws, gaskets, tubing, hose, lubricants, etc.), not kept in the spare parts inventory may be maintained. Inventory control procedures do not apply to bench stock. Bench stock can be kept in a semi-secure area separate from the spare parts inventory. Bench stock items will be charged to expense at the time of receipt.

307. Registering and Obtaining Certification for Aircraft. All aircraft owned or operated by flying clubs must be FAA registered under FAR, part 47. Registration information is available from the local FAA General Aviation District Office (GADO).

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a. Register government-loaned aircraft as follows:

(1) Complete FAA AC 8050-1, Certificate of Aircraft Registration, as directed on the form. In the block "Name of Applicant," enter "United States Navy (owner)," and immediately below that the name of the flying club (operator). After "Address," enter the name and address as applicable. The manager shall sign the form as "applicant." Type the name, club position, title, name of the club, and the location in the appropriate space on the form.

(2) Complete DD 1348-1, DOD Single Line Item Release/Receipt Document. The commanding officer shall sign the DD 1348-1.

(3) If the civilian serial number of a government-loaned aircraft is not known, contact the manufacturer giving the aircraft model and military serial number and request the civilian serial number of the aircraft.

(4) Create the initial aircraft and engine logbooks as required by FAA directives after the aircraft is registered and certified airworthy.

(5) File and retain all military aircraft logbooks received with the aircraft at the time of transfer to the club.

(6) Establish and maintain all subsequent maintenance histories required by FAA directives.

b. For nonappropriated fund-purchased aircraft, complete FAA AC 8050-2, Aircraft Bill of Sale, using the instructions given with the form. In the block entitled "Purchaser," enter the name and address of the club as "owner and operator." Also, complete FAA Form AC 8050-1 as explained in subparagraph 307a(1) above; except in the block entitled "Name of Applicant," put the name of the club as owner and operator.

c. To register the aircraft, attach the original FAA AC 8050-2 to FAA AC 8050-1 (original white and one green copy) and send to the FAA Aircraft Registry, P.O. Box 25504, Oklahoma City, OK 73125. Applications without this documentation will be returned.

(1) Place the pink copy of the FAA AC 8050-1 in the aircraft until the permanent registration is received. When the

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Aircraft Registration is received, replace the pink copy with the permanent registration. The pink copy of FAA AC 8050-1 is valid for only 90 days.

(2) To cancel an aircraft registration, complete the reverse side of the Aircraft Registration Form and send to the FAA Aircraft Registry in Oklahoma. If the aircraft and form are destroyed, cancel the registration with the FAA in writing.

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CHAPTER IV
OPERATIONS, TRAINING, AND STANDARDIZATION

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Chapter IV

OPERATIONS, TRAINING, AND STANDARDIZATION

401. Definitions

a. Local Flying Area. The geographical area shall be established by the commanding officer, normally not exceeding a 100 nautical mile radius from the flying club location (25 nautical miles for solo student flying). The area shall be clearly displayed on a chart in the flying club facility.

b. Pilot Information File (PIF). A document containing items of interest to all pilots.

c. Cross-Country Flight. Flight which extends beyond the local flying area.

d. Flight Clearance Authority. A person designated in writing by the commanding officer, private pilot or higher with 200 hours, excluding the manager. Student pilot solo flights will be cleared by a flight instructor as outlined in FAR, part 61.

e. Make and Model. For the purpose of this instruction, make and model will be defined as manufacturer, model, and series, i.e., Cessna 172 series.

402. General Operations and Rules of Flight. Each flying club member shall observe all FARs, this instruction, and other Navy directives which apply to flying club operation and club rules. The commanding officer shall appoint an operations advisor to the club. The appointee shall become thoroughly familiar with this chapter and participate in the quarterly/annual inspections. He or she shall monitor the club operations, training, and standardization and ensure that the club:

a. Abides by Airfield Operations Manual pertinent to club operations.

b. Furnishes facility weather and operations offices with copies of the current alert roster of club personnel to be notified when severe weather threatens to secure club aircraft.

c. Establishes an evacuation plan to cover situations where hangaring is impracticable.

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d. Ensures that evacuation procedures preclude personal risk. If hangaring and evacuation are impracticable, use airfoil spoilers (or sandbags) in conjunction with proper mooring techniques.

e. Checks manufacturer's recommendations for severe weather conditions.

f. Obtains all required flight publications.

g. Establishes a local flying area and local course rules.

h. Obtains or formulates all necessary checklists.

i. Properly documents all pilot training and currency.

403. Flight Publications. As a minimum, each flying club must maintain the following:

a. Club instructions which have all local flight areas' ingress and egress routes and traffic patterns coordinated with airfield operations. A chart annotated with these items must be displayed in the club where it can be referenced by all pilots.

b. A PIF which consists of two volumes. The manager will review both volumes each calendar quarter for currency and remove items which are no longer valid.

(1) Volume I will include:

(a) A copy of this instruction with command and base supplements, if applicable.

(b) FARs, parts 61 and 91, NTSB part 830.

(c) Club instructions and local base procedures.

(d) Airman's Information Manual.

(e) Operating handbook or flight manual for each type of aircraft.

(f) An up-to-date listing of personnel to be notified in the case of extraordinary occurrences including, but not limited to, insurance company, safety officer, and BOD members.

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(g) Any other data of a permanent or semipermanent nature. Each member will review this volume in total at least semiannually and annotate accordingly.

(2) Volume II includes pertinent flight safety data and any information all pilots should be aware of before flight. Items which are considered permanent will be placed in Volume I after 90 days. Each member will signify, by his or her initial, that he or she has read and understands the contents of each entry before each flight. This volume includes, as a minimum:

(a) Flying club safety meeting minutes.

(b) Other operational or flight safety items or changes which require pilot notification but are not permanent in nature.

(c) Other important items of local interest including local course rules.

(d) A limited number of specific flight planning publications.

404. Unauthorized Activities. Any member found to have engaged in acts of negligence or omission, willful misconduct or infractions of this instruction, club rules, or any applicable FAR may have all flying club privileges and membership status suspended temporarily or revoked permanently. Flight instructors are reminded that regardless of membership status within a Navy Flying Club they are responsible for complete and adequate instruction. If it is determined that inadequate instruction has occurred, suspension or revocation of club privileges may occur. The commanding officer has final authority in the permanent suspension of membership privileges. The following are considered unauthorized activities:

a. Careless or reckless operation of any aircraft.

b. Flying in formation with any other aircraft unless authorized specifically by the commanding officer.

c. Straight-in approaches to landing at airports without an operating control tower (unless in an emergency or an instrument approach is being flown).

d. Flying below FAR minimum altitudes except during landings, takeoffs, and simulated forced-landing practice under flight instructor supervision.

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- e. Towing gliders or sailplanes.
- f. Parachuting or allowing parachuting (except for an emergency) from a flying club aircraft.
- g. Flying under special visual flight rules (SVFR) without an instrument rating.
- h. Simulated forced landings will not be performed at night off-field.
- i. Use of aircraft for hire. Familiarization flights for the purpose of promoting club membership by prospective authorized members, involving collection of any fee must be approved in advance by CHNAVPERS (Pers-653) who will obtain insurance coverage for such promotions.
- j. Participation of aircraft, with or without reimbursement to the club, to support other operational or support functions other than authorized flying club program activities.
- k. Unauthorized tampering, adjusting, or changing of meters, logbooks, or other official personal or flying club records.
- l. Aerobatic maneuvers, other than those required by rating requirements. Those required maneuvers shall be performed with a qualified club instructor.
- m. Simulated off field landings and takeoffs and landings at unlighted fields from official sunset to sunrise.

405. Pilot Restrictions. The following is a list of restrictions that apply to all flying club pilots:

- a. The maximum duty day is 12 hours for a single pilot or 16 hours with two qualified pilots in a dual-controlled aircraft. Flight duty day begins when the pilot reports for the flight or for first duty of the day, whichever comes first. The minimum crew rest period between duty days is 12 hours.
- b. Stalls, steep turns (over 45-degree bank), slow flight, and unusual attitudes shall not be initiated deliberately below 2500 feet above ground level (AGL) unless done for pilot certification, i.e., steep spirals to land.
- c. A club member shall not pilot a club aircraft on a night flight outside the designated local flying area unless he or she

holds an instrument rating or has received adequate instrument training and, at the discretion of the chief pilot, is found competent for such operations and is so endorsed.

(1) A pilot without an instrument rating, but with at least 100 hours, may fly local visual flight rules (VFR) night flights but shall maintain visual contact with an airport, in the local area, which is authorized for night solo use.

(2) Night instrument practice within the local area is authorized provided a second pilot, night-current in the aircraft being flown, is aboard as a safety observer and is able to operate the aircraft from the co-pilot's seat.

d. Touch-and-go landings may be permitted for solo students on local hard-surfaced runways 4000 feet or greater, following evaluation of individual student abilities and authorization by the chief flight instructor.

e. Flying club pilots shall not, except in an emergency, land at any location except an area designated as an operating airport as listed in current local approved flight publications.

(1) The minimum runway length shall be 2000 feet, or equal to the sum of the aircraft takeoff and landing rolls, whichever is greater. The minimum, cleared runway width shall be 50 feet.

(2) If an emergency or precautionary landing is made at an unauthorized location, the aircraft shall not take off without the approval of the club manager.

f. Pilots shall do a fly over-maneuver before landing at unfamiliar, uncontrolled airports or at airfields with unknown runway surfaces or approach obstructions.

406. Aircraft Restrictions. A club aircraft shall not be:

a. Flown on a night cross-country flight unless it is equipped for instrument flight as required by FAR, part 91 and has VHF omnidirectional range (VOR) or automatic direction finding (ADF) equipment in operating condition.

b. Flown on night VFR or instrument flight rules (IFR) flights if its flight instruments are powered only by a venturi suction horn.

c. Used for commercial purposes.

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d. Used for a cross-country flight unless formally requested by the pilot-in-command and approved formally by the flight clearance authority.

e. VFR minimums are:

(1) Day VFR is 1500 feet ceiling and 3 miles visibility.

(2) Night local VFR is 2500 feet ceiling and 5 miles visibility. NOTE: If higher VFR minimums are published for the airfield in use, they will be used.

f. Maximum headwind and crosswind components shall be specified by the chief flight instructor for each level of pilot certification and aircraft type. An individual pilot's abilities shall also be considered.

g. Simulated engine failure during takeoff in twin-engine aircraft may be accomplished by retarding a throttle, but not below 300 feet AGL or below recommended intentional single engine speed (Vsse), unless the aircraft is still on the runway with sufficient runway remaining for a normal stop. Simulated engine failure (with actual shutdown on takeoff) shall not be accomplished at night or during IFR conditions. No simulated emergency training will be accomplished unless a club multi-engine instructor (MEI) is in the co-pilot's seat.

407. Authorized Pilots and Passengers for Flying Club Aircraft

a. Only a regular member, introductory member receiving instruction from a club flight instructor, personnel listed in paragraph 407b(3) and b(5), or a qualified club employee shall pilot club aircraft. The commanding officer may authorize a special one-time local flight with a club member for a prospective buyer of a club aircraft. CHNAVPERS program manager representative is authorized to fly any club aircraft in which they maintain currency.

b. Passengers may be carried in club aircraft only in the following circumstances:

(1) An FAA flight inspector, examiner, or designated examiner who is checking aircraft airworthiness or is officially examining a club member.

(2) An airframe and powerplant (A&P) mechanic whose presence in the aircraft is necessary to certify or complete maintenance requirements.

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(3) Individuals designated by the commanding officer (shall not be delegated) who evaluate club pilot standardization. If checking a student pilot, the individual shall be a certified flight instructor.

(4) A club member/employee on a flight directed by the club manager. (This does not apply to contractor or contractor employed personnel.)

(5) Other DOD personnel observing club pilot standardization.

(6) Guests of regular members. Guests are individuals who have been personally and specifically invited to accompany an authorized flying club user for a specific flight. Guests must execute a Covenant Not to Sue and Indemnity Agreement prior to participation in the flight.

c. Passengers are not carried in club aircraft during maintenance check flights.

408. Preflight Checks. Each club pilot shall preflight the aircraft before each flight in accordance with applicable FARs to ensure that the aircraft is airworthy and that all necessary accessories are in proper working condition.

a. Record inspection defects found in aircraft structure or accessories on a locally approved maintenance form. If a defect is found that could interfere with the aircraft's safe operation, the flight will be cancelled or postponed until the defect is corrected.

b. Pilots who fail to make a preflight inspection shall be disciplined as required by club instructions.

409. Required Equipment. It is the pilot's responsibility to have the proper charts, equipment, and information needed for the flight. Aircraft shall have appropriate survival equipment for the area of intended operation, including life preservers for over-water flights outside of the normal gliding distance of the aircraft. Commanding officers may loan survival equipment to clubs on an as-needed basis if there is no immediate need for military use. A current copy of the FAA-approved flight or operation manual shall always be in the aircraft during flight. In addition to equipment required by FAA regulations, the following items shall be kept in the aircraft at all times:

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a. Checklists, including preflight, before start, pretakeoff, cruise flight, before landing, after landing, secure, postflight, normal and emergency procedures, and lost communication procedures. If not adequately covered in the owner and operator's handbook, type these procedures on cards, seal in plastic, and keep within easy access of the pilot.

b. Placards showing compass deviation correction shall be visible to the pilot.

c. Detailed club instructions for remaining overnight (RON) and severe weather.

d. A crosswind component chart that applies to that aircraft.

e. Chart showing the local flying area and its topographic features (including hazards such as towers, etc.) with locally prepared area brief sheets.

f. List of procedures/personnel to be contacted in case of mishap/incident.

g. Following equipment depending on the type of flight:

(1) For VFR flights, charts showing the topographic features and navigational aids within the area of flight.

(2) For IFR flights, charts and flight information publications necessary for instrument departures, enroute navigation, and instrument approaches.

(3) For all night flights, a flashlight that operates independently of the aircraft battery.

410. Scheduling of Aircraft. The following procedures shall be adhered to:

a. Place the pilot's name on the scheduling log before takeoff. Scheduling is on a first-come, first-serve basis.

b. Put detailed scheduling procedures in the club instructions; include flight cancellation, failure-to-show, and rescheduling procedures.

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411. Notification of Failure to Return on Schedule. The pilot shall notify the club as soon as it is known that the aircraft cannot be returned on schedule.

412. Standardization Board. Safe operation of club aircraft depends on pilot standardization procedures, training, and check methods.

a. Each club shall set up a standardization board chaired by the club operations officer. All flight instructors, flight clearance authorities, and the club safety officer shall be members.

b. Clubs shall conduct standardization meetings at least quarterly to standardize and improve all of the club's flight procedures and techniques.

c. Minutes shall be kept and sent to the commanding officer for approval.

(1) A standardization board member who misses a meeting shall review and initial the minutes before performing club duties.

(2) A standardization board member who misses two consecutive meetings without a valid reason shall be relieved of duty.

d. The following areas require the standardization board's constant attention:

(1) Check-out procedures and performance requirements.

(2) Annual standardization check rides.

(3) Training program.

(4) Flight plan review and clearance procedures for local and cross-country flights.

(5) Flight records.

(6) Identification of pilot weaknesses and recording of dangerous trends and tendencies.

(7) Cross-country training, flying, and check procedures.

(8) Mountain flying.

(9) Instrument flight procedures.

413. Required Flight Checks. Flight checks will cover items on the "FAA Practical Test Standards" for the license or certificate that the member intends to use at the club. The check list used shall be included in the member's training folder with each item annotated and initialed by the instructor. The following checks are required initially or annually as indicated and will be given by a club-certified flight instructor.

a. An initial check-out in each specific make and model aircraft before acting as pilot-in-command in that make and model.

b. An initial night check-out for those intending to night fly.

c. An initial and annual instrument flight check for members maintaining IFR currency.

d. An annual flight standardization check in the most complex aircraft in which currency is maintained.

e. An initial and annual instructor flight check given by the chief/assistant chief flight instructor will be given. These flight checks may be given in any aircraft determined by the chief flight instructor and may satisfy the annual standardization check at the discretion of the chief flight instructor.

414. Written Tests. Written tests will be taken prior to each initial and annual standardization flight check. Record each test and retain in the member's training folder for a minimum of 3 years. The minimum passing score on each test is 70 percent. Tests will be graded by a club instructor, corrected to 100 percent, and all deficient areas reviewed prior to flight. Retakes will not be given until sufficient ground instruction has fully prepared the examinee for another try. Review all tests annually and revise every 2 years. The following tests are required as applicable before initial and annual flight checks:

a. A 25-question aircraft normal and emergency procedure exam for each type aircraft. Five questions will be closed-book emergency procedures. At least one question will require a complete weight and balance computation (required prior to the

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initial check-out in each make and model aircraft and annually thereafter).

b. A 25-question procedures exam covering local procedures and pilot operating instructions, FARs, Parts 61 and 91, and the Airman's Information Manual (AIM) (required prior to the annual standardization check).

c. A 25-question instrument flight rules (IFR) exam covering departure, en route and approach procedures, applicable IFR sections of FAR, part 91 and AIM, and local restrictions (required prior to the annual instrument check).

d. A 25-question flight instructor procedures exam covering flight instructor procedures and techniques (required prior to the annual instructor check).

e. All exams are valid until the end of the 12th month following the month in which the exam was taken.

415. Qualification and Currency. To fly a club aircraft as pilot-in-command, a member shall satisfy FAA requirements and this regulation. All currency requirements shall be completed and properly documented on the Pilot Information Cards (PIC) prior to flight in a flying club aircraft.

a. Day requirements

(1) Student pilots will not fly more than 10 hours solo or exceed 30 days without a dual proficiency flight. Student pilot stage checks will be accomplished.

(2) All others will accomplish three take-offs and landings every 90 days in each category and class. Additionally, pilots will accomplish three takeoffs and landings within 180 days in each make and model they wish to maintain currency. Pilots noncurrent must accomplish a dual recurrency training flight before flying as pilot-in-command.

(3) Club instructors current in one make and model aircraft but who have instructed in the other club aircraft need not accomplish the 180-day currency items at the discretion of the chief flight instructor.

b. Instrument requirements

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(1) Maintain instrument currency according to FAR, part 61.

(2) Active duty military pilot instrument currency may be substituted with the chief pilot's approval. The initial instrument flight check must be accomplished in a flying club aircraft.

c. Night Currency

(1) Pilots will accomplish three takeoffs and landings, to a full stop, every 90 days in each category and class.

(2) Night landings count for day currency requirements. Pilots noncurrent for night landings must fly a night dual training flight to regain currency.

d. Pilots noncurrent for more than 6 months must accomplish a regualification check flight that meets the initial checkout requirements for that aircraft in order to regain currency.

416. Flight Planning Review and Clearance for Flying Club Pilots.

a. A flight plan (military or civil) shall be filed and the pilot's aircraft currency shall be validated before any flight. The manager shall provide a checklist which flight clearance authorities will use in verifying currency. Flight Clearance authorities (FCAs) shall clear all flights (including local flights) by signing the locally prepared clearance form. This approval certifies that the pilot and aircraft meet all the flight requirements. All student pilot solo flights are cleared by an instructor pilot as outlined in FAR, part 61.

b. FCAs shall review all cross-country flight plans. The manager shall develop a checklist which includes the following as a minimum:

(1) The pilot is qualified, current, and prepared for the trip.

(2) The airports of destination and alternates are adequate and minimum fuel requirements meet applicable FARs.

(3) The pilot has not overloaded the aircraft and understands the weight and balance computations and limitations.

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(4) Navigation, communication, and en route flight service station (FSS) facilities are available.

(5) Navigation/fuel logs completed for the entire trip and all necessary charts, publications, and personal equipment are in the pilot's possession.

(6) PIF has been reviewed and signed.

(7) Proper survival equipment for the type flight being flown is on board.

c. Club flights leaving the continental limits of the United States shall be carefully planned, cleared and conducted according to the FAA and International Civil Aviation Organization (ICAO) Manual and club instructions. Flights to Mexico must have received required insurance coverage.

d. Before clearing any flight, the FCA shall, after validating pilot currency, determine existing and forecast weather conditions.

e. Before clearing any IFR flight, the FCA shall determine that:

(1) The pilot possesses a current instrument rating and is instrument-current in the category aircraft being flown.

(2) The aircraft is equipped with required instruments, the navigation equipment has been checked according to FAA regulations and appropriate entries have been made in the aircraft logs.

(3) The pilot has in his or her possession up-to-date departure, terminal, and en route flight information publications.

f. Approved FCA checklists shall remain on file for review during quarterly and annual inspections.

417. Landing and Departing Military Bases. Club members may land at military bases when traveling in club aircraft. Before filing a flight plan, the pilot shall determine if the military base of intended landing can accept the aircraft. The flight plan will be filed through either military or FAA channels, with the request that the base of intended landing be advised. In the

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"Remarks" section of the flight plan (cross-country flights only), enter the statement "Navy Flying Club aircraft."

a. The pilot making radio contact with a military control tower shall precede the aircraft's tail number by the words "Navy Flying Club." (For example, "Navy Flying Club Cessna 99N, 10 miles NW, 2000 feet, request landing instructions.") When in radio contact with other than military towers, use the regular aircraft call sign.

b. A student pilot on a solo flight making the initial call to an FAA facility or military control tower shall include identification as a student pilot. (For example, "Navy Flying Club Cessna 99N, student pilot, 10 miles NW, 2000 feet, for landing.")

c. When landing at military bases, after checking gear down, pilots shall report "gear down" to the tower or appropriate air traffic control agency before crossing the runway threshold. Pilots flying aircraft with fixed landing gear are also required to make this report.

d. When departing military bases, file a flight plan with base operations.

418. Training Program. A standard course on instruction is essential to every pilot regardless of certificates and ratings. Each student pilot should attend a primary ground school. Training will prepare the student to meet the performance standards in the FAA Practical Test Standards, such as Private Pilot, Commercial Pilot, Airline Transport Pilot, Flight Instructor, Instrument and other ratings. The chief flight instructor or a designated representative shall conduct stage checks for student pilots before solo flight, solo cross-country, and as required by FARs. Each club is encouraged to get FAA certification for these training programs. Training programs shall include the following:

a. Standard dual and solo training cross-country routes for primary training shall be established by club instructions. Deviations are permitted only by written permission from the chief flight instructor. In all cases, the following shall be met:

(1) There shall be graduated degrees of navigation difficulty.

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(2) If possible, use both controlled and uncontrolled airports.

(3) Give training in civil weather briefings, flight plan filing and flight plan closing procedures.

(4) Have training in visual and navigational air orientation procedures.

(5) Write detailed procedures for deteriorating weather, alternate airfields, and disorientation.

(6) Provide training on the use of all instructions contained in the airplane flight manual.

(7) Compute flight data using density altitude, stressing its effect on aircraft performance.

b. Make all student solo flights only during daylight hours.

(1) Students who have completed 3 hours of solo cross-country into airfields, where they have previously performed satisfactory traffic patterns with an instructor, may fly the remainder of the solo cross-country requirements into unfamiliar airports with appropriate certified flight instructor endorsements.

(2) Each route shall be a visual flight rules (VFR) closed course and completed during daylight hours. Remain over nights (RON's) are not permitted, except due to weather or mechanical failure.

c. Any pilot who has not had light aircraft cross-country experience in the past 2 years shall get a certificated flight instructor endorsement stating that he or she may perform duties as a cross-country pilot-in-command.

d. Training in simulated forced landings is authorized, provided an instructor pilot is in the co-pilot's seat. Use of carburetor heat and engine clearing shall be stressed.

e. Each student, before initial solo, shall get a demonstration of practice go-arounds during progressive segments of the final approach and landing phase. Emphasize go-arounds immediately after touchdown, simulating recovery from bounced or ballooned landings. This training shall include go-arounds initiated from full-flap configurations as outlined in the aircraft's flight manual.

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419. Check-out Performance Standards. Pilots checking out in club aircraft shall demonstrate an acceptable level of pilot proficiency. Check-outs shall be based on the "FAA Practical Test Standards" for the certificate the pilot intends to utilize at the club. During check-outs, the instructor shall stress proper use of checklists, retractable gear operations, propeller operation, emergency procedures including go-arounds, and various types of approaches. The pilot shall display proficiency in the aircraft in which the check-out is given.

420. Check-out in Single-Engine, Fixed Gear Aircraft

a. 200 horsepower (H/P) or less

- (1) Satisfactory check-out with club instructor and
- (2) 3 logged pilot hours in make and model to carry passengers or to leave the local operating area.

b. 201 to 236 H/P

- (1) Satisfactory check-out with club instructor;
- (2) 100 logged pilot hours;
- (3) 3 logged pilot hours in make and model; and
- (4) 5 logged pilot hours in make and model to leave the local area or to carry passengers.

c. 237 H/P or more

- (1) Satisfactory check-out with club instructor;
- (2) 160 logged pilot hours;
- (3) 5 logged pilot hours in make and model; and
- (4) 10 logged pilot hours in make and model to leave the local area or to carry passengers.

421. Check-out in Single-Engine Retractable Gear Aircraft

a. 200 H/P or less

- (1) Satisfactory check-out with club instructor;

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(2) 100 logged pilot hours;

(3) 25 logged pilot hours in retractable gear aircraft (10 hours in make and model may be substituted for 25 hours retractable time); and

(4) 5 logged pilot hours in make and model.

b. 201 to 236 H/P

(1) Satisfactory check-out with club instructor;

(2) 150 logged pilot hours;

(3) 25 logged pilot hours in retractable gear aircraft (10 hours make and model may be substituted for 25 hours retractable time) and;

(4) 5 hours make and model.

c. 237 to 310 H/P

(1) Satisfactory check-out with club instructor;

(2) 200 logged pilot hours;

(3) 40 logged pilot hours in retractable gear aircraft (10 hours make and model may be substituted for 40 hours retractable time) and;

(4) 10 logged pilot hours in make and model (5 hours dual and 5 hours solo in the local flying area before carrying passengers).

422. Check-out in Multi-Engine Aircraft

a. 500 total H/P or less

(1) Multi-engine rating, or club MEI solo endorsement, for a one-time flight only, for rating ride requirements;

(2) Satisfactory check-out with club instructor;

(3) 400 logged pilot hours (250 logged pilot hours with 25 hours retractable may be substituted for 400 logged pilot hours);

(4) 20 logged pilot hours in multi-engine aircraft (10

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hours make and model with club MEI may be substituted for 20 hours multi-engine aircraft time); and

(5) 10 logged pilot hours in make and model.

b. 501 total H/P and over

(1) Multi-engine rating, or club MEI solo endorsement, for a one-time flight only, for rating ride requirements;

(2) Satisfactory check-out with club instructor;

(3) 500 logged pilot hours (350 logged pilot hours with 25 hours retract may be substituted for 500 logged pilot hours);

(4) 50 pilot hours logged in multi-engine aircraft (15 hours in make and model with club MEI may be substituted for 50 hours multi-engined aircraft time); and

(5) 10 logged pilot hours in make and model.

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CHAPTER V

SAFETY

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Chapter V

SAFETY

501. General Flying Club Safety Policy. Flight safety is every flying club member's responsibility. To assist each member, the club shall have a mishap prevention program. Successful programs must have the active support of the members, employees, manager, BOD, and the commanding officer. The CHNAVPERS has the primary responsibility for all flying club safety matters.

502. Duties and Qualifications of Flying Club Safety Officers. The club safety officer shall be a club member who is a certified private pilot or higher with 200 or more flying hours. The club safety officer's main duty is to conduct an aggressive mishap prevention program. He or she is a mandatory member of the BOD and shall:

a. Obtain guidance from the sponsoring activity safety office and the nearest FAA GADO.

b. Conduct safety meetings at least every 2 months and prepare complete meeting minutes for members to review. These minutes will be available in the Pilot Information File (PIF) within 5 work days. The use of guest speakers such as the activity safety officer, a control tower operator, flight surgeon, engine specialist, meteorologist, FAA representative, or other persons with valuable flight safety information is recommended. At a minimum, the following subjects will be discussed:

(1) Navy and type commander policies and directives relating to flying club operations.

(2) FAA regulations.

(3) Local flying area problems, including briefings by safety specialists and/or representatives from the local FAA GADO, or local ATC specialists.

(4) Mid-air collision prevention.

(5) Seasonal flying hazards, including weather and bird migration.

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(6) Light aircraft maintenance and potential problem areas.

(7) Light aircraft mishap briefs.

(8) Wake turbulence, thunderstorms, microbursts, crosswinds, flight planning, and fuel management.

(9) Lost pilot and other emergency procedures.

(10) Spatial disorientation, survival, and hypoxia.

(11) Medication and self-medication hazards.

(12) Mountain flying.

(13) Mishap reporting procedures.

(14) Cross-country flying.

(15) Applicable hazard reports.

NOTE: The club safety officer shall schedule pertinent subjects for each meeting so that recurring items of interest (seasonal weather, crosswind operation, wake turbulence, etc.) are covered and periodically repeated. A short, well-prepared meeting is much more effective than a long, poorly planned meeting.

c. Be alert to identify potential hazards and recommend changes in operations, procedures, methods of instruction or supervision, life support systems, and airfield facilities to preclude potential mishaps. If an identified hazard can be expected to have an effect outside the local organization, it should be documented using the "Unusual Occurrence Report" format discussed in Chapter 9 and forwarded to the Command Safety Advisor for release through the "All Navy Flying Club Activities' Collective Address Designator (CAD)."

d. Maintain a safety bulletin board.

e. Coordinate with other club officials to correct safety deficiencies discovered on inspections.

f. Ensure safety meeting minutes, mishap reviews, and mishap reports (submitted per Chapter IX) are promptly posted to the PIF. Such reports shall be "edited" so that personal information

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such as name and social security number of any individual is not disclosed. The posting of such information will be for mishap prevention purposes only.

g. Maintain a pre-mishap plan.

503. Sponsoring Activity Safety Advisor. The commanding officer shall appoint a safety advisor from the command to act as an advisor to club personnel. If an aviation safety officer is not designated, a representative from ground safety or the operations office should be given these responsibilities. The appointee shall monitor the safety program of the club and additionally:

a. Ensure the club safety officer conducts a mishap prevention program.

b. Take part in periodic inspection following Chapter II.

c. Have a follow-up system to ensure that corrective actions are taken for all safety discrepancies found during inspections.

d. Provide mishap prevention information to the flying club. This information must include:

(1) Flying club mishap reviews.

(2) Safety inspection reports.

(3) Safety posters.

(4) Safety magazines.

(5) Information on DOD and FAA films appropriate to club operations.

(6) Hazard reports.

(7) Other needed safety data and information.

e. Evaluate and endorse/not endorse submitted flying club messages for release into the "All Navy Flying Club Activities' CAD." Responsibilities in the CAD program are discussed in OPNAVINST 3750.6Q (NOTAL). Refer to chapter 9 for guidelines and format.

f. Report flying club aircraft mishaps as directed by this regulation and NTSB regulations, part 830.

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504. Safety Meetings. Safety meetings for all club members shall be held at least every 2 months. One hundred percent attendance should be sought.

a. The meetings should be held when most members can attend or repeated often enough to have maximum attendance.

b. The club safety officer shall chair the meeting.

c. Members who fail to attend a meeting will be denied flying privileges until they review the minutes of the meeting or receive a briefing from the club safety officer. The meeting or makeup briefing will be documented in the member's training folder and safety meeting roster. Annotate whether the member's attended the regular meeting or makeup briefing. Viewing a video tape of the safety meeting may count as regular safety meeting attendance.

d. A member who misses two or more consecutive safety meetings shall be denied all club flying privileges until he or she has attended a safety meeting.

505. Mishap Investigation. A Navy investigation shall be conducted for each flying club mishap (as defined by NTSB Rules, part 830) or whenever willful mismanagement or negligence incident to flight is suspected. The commanding officer shall appoint a qualified individual to perform the investigation and assist, as required, in preparation of the aircraft mishap report. The investigator should work in close coordination with NTSB/FAA or International Civil Aviation Organization (ICAO) (foreign or domestic) investigators.

a. The purpose of the investigation and reports is to determine causes and identify steps to prevent recurrence. Requests for copies of flying club mishap reports and other information may be obtained from the Commander, Naval Safety Center (COMNAVSAFECEN), (Attn: Code 10), Norfolk, VA 23511.

b. The CNO (N88), shall be responsible for the action and follow-up on all flying club mishap report recommendations.

c. The COMNAVSAFECEN, shall prepare a mishap review for all mishaps and forward it to:

(1) All commanding officers with flying clubs for their review and distribution to their respective flying clubs. The

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mishap review will be briefed at the next safety meeting and included in the PIF.

(2) The CNO (N88), Washington, DC.

(3) The CHNAVPERS (Pers-65), Washington, DC.

506. Safety of Flight. Flying club aircraft shall always be operated safely.

a. An unsafe act is any act which exposes a person to possible injury, jeopardizes life, threatens damage or destruction of property, or exposes an aircraft to conditions which may result in its damage or complete destruction. Unsafe acts include:

(1) Violating minimum safe altitudes except during landings, takeoffs, and simulated forced-landing practice.

(2) VFR flying in violation of VFR minimums.

(3) Operation of aircraft outside the manufacturer's operational limits.

(4) Unauthorized aerobatics.

b. All members are charged with reporting flying violations to the commanding officer via the club safety officer and manager. Such violations will be carefully investigated in accordance with paragraph 505.

507. Ground Safety. Flying clubs using Navy facilities shall comply with the applicable portions of Navy Occupational Safety and Health (NAVOSH) standards and NAVAIRINST 5100.5B. These directives also provide guidance for clubs not occupying Navy facilities.

a. A club instruction should be established on the handling and disposal of hazardous materials and the designation of a NAVOSH officer.

b. Strict attention will be paid to storage of flammable materials, fuel facility static grounding, workshop safety, and ground activities in the vicinity of aircraft.

c. Club facilities shall be a part of the commanding officer's ground safety and fire prevention inspection and surveys.

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CHAPTER VI
AIRCRAFT MAINTENANCE

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Chapter VI

AIRCRAFT MAINTENANCE

601. General Maintenance Policy. Each flying club shall maintain a sound aircraft maintenance program. This program shall provide for scheduled inspections, routine maintenance, corrosion control and overhaul of the airframe, engines, propeller and other components as required by the FAA. All aircraft shall be maintained as required in the manufacturer's maintenance manuals and FAA directives for that type and model of aircraft. Although overhaul of engines and other components at the manufacturer's recommended Time Between Overhaul (TBO) is desirable, more stringent intervals may be established. Club personnel should set up realistic TBOs based on knowledge of engines, other components, and the conditions under which they have been operated.

602. Maintenance Program. A maintenance program is based on aircraft and engine inspections conducted at specific intervals with expeditious corrective action on any discrepancies found during these inspections. The maintenance program must also provide for expeditious correction of discrepancies noted between these inspection intervals and:

a. Comply with FAA inspection periods. The following are minimum inspection requirements:

- (1) Pilot's preflight and postflight.
- (2) Oil change and inspections as recommended by the aircraft and engine manufacturer.
- (3) Inspections at 100-hour intervals or progressive inspection programs approved by the aircraft manufacturer and the FAA.
- (4) Annual airworthiness certification inspection.

b. All flying club aircraft maintenance shall be performed by, or be under the supervision of, a certified Airframe and Power Plant (A&P) mechanic. The use of the inspection checklist provided in the manufacturer's maintenance manual for the type, model, and series aircraft being inspected is recommended. A locally developed inspection checklist may be used, provided it meets the minimum manufacturer's requirements and FAR, part 43.

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All completed maintenance checklists shall be filed as required by FAR, part 91.

c. Comply with FAA airworthiness directives (ADs).

d. Maintenance records for all club aircraft shall be kept per the FARs as outlined by FAA Advisory Circular (AC) 43-9A.

e. A maintenance discrepancy log shall be established for each aircraft to record maintenance discrepancies and corrective actions. Records are required for the last 200 hours of operation on each aircraft. When these records exceed the 200-hour retention requirement, they may be disposed of in 100-hour increments.

f. Undue stresses (such as hard landings, severe turbulence, etc.) shall be recorded in the airframe logbook and the aircraft shall be properly inspected and declared airworthy before being released for further flight.

603. Maintenance Officer. The club maintenance officer:

a. Shall be a member of the BOD and shall exercise general supervision over the club's aircraft maintenance program to ensure that all aircraft are in an airworthy condition.

b. Should have a background in aircraft maintenance gained from military or civil aviation. An airframe and powerplant (A&P) mechanic's certificate is desirable.

c. Is responsible for the overall management of the maintenance program and is the authority for all club maintenance policy. This authority includes grounding of club aircraft which are not airworthy, including transient Navy Flying Club aircraft. The maintenance officer shall comply with all FAA directives, including ADs that apply to the type and model of aircraft possessed. He or she shall also:

(1) Coordinate club maintenance requirements with the host activity. Such support includes facilities, supplies, equipment, and the joint use of maintenance spaces.

(2) Develop a maintenance program to quickly correct discrepancies.

(3) Establish a program of positive tool control.

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(4) Frequently inspect club maintenance facilities. The control and maintenance of the aircraft spare parts inventory and tool control are special notice items.

(5) Assume responsibility for the security of aircraft while undergoing maintenance, provide a positive means of securing unattended aircraft and establish procedures to prevent aircraft from being flown with uncorrected safety-of-flight discrepancies.

(6) Ensure all maintenance requiring certification is completed. Special care must be given to aircraft record documentation.

(7) Coordinate all maintenance matters with the club manager.

(8) Establish a fuels quality assurance program. Fuels supplied to clubs by commercial vendors must meet the standards established by the American National Standards Institute. Fuel storage facilities must meet the standards prescribed by the National Fire Protection Association. The fuels quality assurance program shall include, as a minimum, procedures for:

(a) Periodic checking of fuel storage tanks and pumping equipment sumps for water or other contaminants.

(b) Checking, cleaning and replacing of filters in pumping equipment at specific time intervals.

(9) Formulate a set of maintenance requirement cards detailing a corrosion control work package for each type aircraft in the club inventory to use as a tool while satisfying FAA AC 43-4.

(10) Establish and maintain a technical library. Ensure the club is on automatic distribution for changes/revisions for all required publications/directives. If maintenance is done by club mechanics, the technical library shall include, as a minimum, the following publications:

(a) Aircraft, engine, and propeller service manuals, catalogs, service letters, and bulletins.

(b) FAR, part 39, Airworthiness Directives and Volume 1, Summary of Airworthiness Directives for Small Aircraft.

(c) FAR, part 43, Maintenance, Preventive Maintenance, Rebuilding, and Alternation.

(d) FAR, part 45, Identification and Registration Markings.

(e) FAR, part 47, Aircraft Registration.

(f) FAR, part 65, Certification--Airmen Other Than Flight Crewmembers.

(g) FAR, part 91, General Operating and Flight Rules.

(h) FAA AC 43-16, General Aviation Airworthiness Alerts.

(i) FAA AC 41-13.1A, Acceptable Methods, Techniques, and Practices - Aircraft Inspection and Repair.

(j) FAA AC 41.13.2A, Acceptable Methods, Techniques, and Practices - Aircraft Alterations.

(k) FAA AC 43-4, Corrosion Control for Aircraft.

(l) FAA AC 43-9A, Maintenance Records, General Aviation Aircraft.

(11) Ensure that an up-to-date aircraft equipment list and weight and balance data are carried aboard the aircraft at all times.

(12) Ensure that maintenance planning and scheduling are adequate to provide the maximum number of aircraft possible during periods of peak flying activities such as weekends and holidays.

(13) Develop and keep current an aircraft status board which indicates as a minimum:

(a) Time until 100-hour inspections.

(b) Dates annual inspection, transponder, pitot static and ELT battery checks due.

(c) Time until major overhaul (if applicable).

(d) Hours until ADs are due (including recurring).

(e) Current aircraft status (flyable or grounded).

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(14) Designate and maintain a list of three or more persons authorized to certify aircraft as ready-for-flight.

(15) Coordinate and conduct a Foreign Object Damage (FOD) walkdown of the hangar spaces and ramp areas, which are used by the flying club, at least once a week.

604. Command Maintenance Advisor. The commanding officer shall appoint a maintenance advisor from the command to act as an advisor to the club. The appointee shall monitor the maintenance program of the club and:

a. Ensure the club maintenance officer:

(1) Has an effective corrosion control program.

(2) Designs and implements an adequate fuel surveillance program.

(3) Has an effective tool control program.

(4) Has required technical publications.

b. The command maintenance advisor shall participate in quarterly/annual inspections according to chapter 2, paragraph 605 below and appendix B.

605. Flying Club Maintenance Activity Inspections

a. Activity inspections shall be conducted quarterly by the sponsoring activity quality assurance division. This inspection shall be conducted at the same time as the operations and safety inspections (Appendix B). The inspection shall include, but not be limited to:

(1) Aircraft currency inspection.

(2) General condition of aircraft and associated equipment.

(3) Compliance with aircraft modification requirements.

(4) Compliance with airworthiness directives (ADs).

(5) Adequacy and currency of maintenance manuals and associated publications.

(6) Adequacy and condition of facilities.

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- (7) General safety practices.
- (8) Tool control procedures.
- (9) Security of aircraft while undergoing maintenance.
- (10) Maintenance documentation.
- (11) Management of the aircraft spare parts and bench stock inventories.

b. Quality assurance inspectors are usually not A&P mechanics and must not perform the duties of FAA inspectors. Activity inspections are oriented toward compliance with directives that pertain to the maintenance of the type and model of aircraft possessed. The appropriate sections of the checklist in appendix B shall be used. All discrepancies noted shall cite the reference which pertains to the discrepancy.

606. Maintenance Check Flights. Safety of flight repairs involving removal/replacement of flight control surfaces, major mechanical repairs, such as carburetor, magneto, or engine replacement, etc., or any other function deemed necessary by the manager, shall require a maintenance check flight be conducted by the maintenance officer or chief flight instructor. In the event that neither are checked out in the particular type aircraft, an effort should be made to designate and use the most qualified person available to perform the check flight.

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FINANCIAL MANAGEMENT

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Chapter VII

FINANCIAL MANAGEMENT

701. Policy and Procedures. Proper accounting for club assets, liabilities and operating results are an essential part of club management. Accurate and complete financial information provides the basis for planning and controlling club operations.

a. The Comptroller of the Navy Publication, NAVSO P-3520, Financial Management Policies and Procedures for Morale, Welfare, and Recreation Programs, sets forth minimum requirements for financial administration of Navy Flying Clubs. The information contained in this publication should not be construed as prohibiting additional controls or procedures, not in conflict therewith, as deemed necessary by the activity commanding officer, chain of command, or the program manager.

b. Deviations from NAVSO P-3520 will be requested from the Comptroller of the Navy, via the chain of command, and CHNAVPERS.

702. Financial Plans and Budgets. Budgeting consists of establishing specific future goals and periodically measuring actual results against planned objectives.

a. Budgets will address cash, operations, and capital requirements and contain a statement of financial conditions.

b. Budgets will be submitted at least 30 days prior to the beginning of the fiscal year by the BOD to the activity commanding officer for approval.

703. Responsibilities. The administration and supervision of flying club assets and financial affairs is the responsibility of the activity commanding officer who is assisted by the club manager and advised by the BOD.

a. For the activity commanding officer these responsibilities include but are not limited to:

(1) Ensuring compliance with NAVSO P-3520 as augmented by the program manager and chain of command.

(2) Reviewing and evaluating financial statements and, when directed, forwarding to higher authority.

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(3) Ensuring club operations are in consonance with approved budgets.

(4) Obviating unauthorized appropriated or nonappropriated fund support.

(5) Effecting corrective action on recommendations made by audit, program manager, and/or advisory personnel.

(6) Disapproving recommendations of the club manager/BOD deemed not in the best interest of the Flying Club Program or the Navy.

(7) Ascertaining that flying club assets are properly administered and safeguarded, that all income is received in full and recorded, that all bills are paid on time and that all disbursements are made only for authorized purposes.

(8) Directing that inventories are taken as required by governing directives.

(9) Designating a successor manager when required.

b. The club manager is charged with the following responsibilities:

(1) Receive, safeguard, disburse, and account for monies and assets in a timely manner in accordance with NAVSO P-3520, this instruction, club regulations, and other pertinent directives.

(2) Develop, implement, and maintain an internal control system following NAVSO P-3520.

(3) Be financially liable for losses of monies and/or property when his or her dishonesty, fraud, or culpable negligence is established.

(4) Ensure financial reports and budgets are prepared within established timeframes, submitted to the activity commanding officer via the BOD for review and approval, and accurately present the financial condition and results of operations.

(5) Ensure inventories are taken as required.

(6) Ensure preparation, accuracy, and retention of source documents including, but not limited to, accounts and records of

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property and transactions incident to establishment, operation, and liquidation.

704. Appropriated Fund Support. Guidance for appropriated fund support for flying clubs is contained in NAVCOMPT Manual, Volume 7, paragraph 075500.

705. Nonappropriated Fund Support. Flying clubs may neither receive revenue from nor distribute dividends to, other Non-Appropriated Fund Instrumentalities (NAFIs). This prohibition does not preclude the purchase of services, such as accounting and bookkeeping, from other NAFIs on a fully reimbursable basis. The loan of funds from another NAFI to a flying club (paragraph 301b) will be approved only when such a loan will not materially affect the financial status of the lending NAFI. Such loans must be approved by the CHNAVPERS and shall be made on a guaranteed basis with interest.

706. Fraud or Other Dishonest Act. Any employee, member, or person connected with a Navy Flying Club shall report to the proper authority any suspected misappropriation, embezzlement, larceny, or robbery of property or funds, or other improper matter for action following applicable regulations.

707. Financial Statements. Financial statements will be prepared and issued as often as necessary to be of optimum use to management officials and meet the standards of fairness of presentation, full disclosure, timeliness and usefulness. They will be prepared and submitted following this instruction, NAVSO P-3520 and other pertinent directives. Three principal financial statements are used to display the financial condition of the activity, the results of its operation, and changes in its net worth. These statements are the balance sheet, income statement, and reconciliation of net worth. A fourth statement which may also be useful is a statement of changes in financial position.

a. The balance sheet provides information relative to assets, liabilities, and net worth at a selected point of time, usually at the end of an accounting period. An example of a Navy Flying Club balance sheet, in the format required for annual reporting, is contained in appendix A.

b. Revenues and expenses over a defined accounting period are summarized in the income statement. An example of a Navy Flying Club income statement is contained in appendix A in the format required for annual reporting.

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c. Changes in net worth are an important gauge of the financial viability of a flying club. An example of a reconciliation of net worth for a Navy Flying Club is contained in Appendix A in the format required for annual reporting.

708. Audit and Inspection. All activities and functions within all levels of command are subject to audit and inspection. Mishandling of flying club funds and property, violation of the standards of conduct, and any other improper situation will be referred to and investigated by the activity commanding officer, and when appropriate, the Naval Criminal Investigative Service. Irregularities of a serious nature will be reported through the chain of command and the program manager to the Assistant Secretary of the Navy (Financial Management). Flying club financial records should be audited at least annually or as directed by the commanding officer or program manager when circumstances warrant.

709. Records Management. Records pertaining to the administration of flying club funds will be maintained and disposed of per SECNAVINST 5212.5C, part III, chapters 5 and 7.

710. Investments. Funds will not be generated merely for investment purposes. When, however, cash is accumulated for programmed purposes, e.g., engine replacement or overhaul, management may consider investment of funds in excess of immediate operational requirements. Regulations and restrictions regarding investment of flying club assets are contained in chapter III of NAVSO P-3520.

711. Recording of Financial Transactions. Chapters V and VI of NAVSO P-3520 outline procedures for the handling and recording of financial transactions for Navy Flying Clubs. Chapter IV contains the established, uniform chart of accounts for the recording of financial transactions for Navy Flying Clubs. A practice set containing illustrative postings of various transactions is presented in Chapter VII.

712. Leaseback Agreements. Appendix G is provided as a guideline for leaseback arrangements. Refer to BUPERSINST 7043.1A, chapter 3, paragraph 310.

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CHAPTER VIII

INSURANCE

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Enclosure (1)

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INSURANCE

801. Liability and Hull Insurance. Aviation liability and hull insurance for all Navy Flying Clubs is provided by a single insurance policy which is centrally procured by the Head, Nonappropriated Fund Personnel and Insurance Branch (Pers-653). All aircraft in the Navy Flying Club inventory shall be covered by the central insurance policy. Aircraft not affiliated with a Navy Flying Club may not be included for coverage under this policy.

802. Insurance Coverage. Coverage is defined as being for the "Non-Commercial" operations of all Navy Flying Clubs. Coverage applies to the pleasure, business, and instructional uses of those aircraft in the Navy Flying Club Program's inventory. It permits reimbursement for operating expense but excludes any operation for hire or reward.

803. Premiums. The Hull or Aircraft Physical Damage coverage premium is determined by the declared property values of all aircraft in an individual club's inventory. The liability coverage premium is determined by the total number of passenger seats (excluding the pilot seat) for all the aircraft in each individual club's inventory.

a. A premium rate is established for both hull and liability and this rate is then multiplied by either the number of seats or the total value of all aircraft to determine the premium. Each aircraft is charged only for the period of time that it is in an individual club's inventory (as determined by its declared value, using current "Blue Book" retail values and the number of passenger seats during that period). Similarly, if the declared aircraft value changes, the premium is prorated on a daily basis to reflect the change in the value of the aircraft.

b. It is mandatory that all clubs advise CHNAVPERS (Pers-653) and the insurance broker of all aircraft additions, deletions, and changes in value at the earliest practical date. Accordingly, CHNAVPERS (Pers-653) will in turn report this information to the aviation insurance broker and the insurance company so that no gaps in coverage occur.

c. Premiums are billed quarterly and are due and payable upon receipt of billings. The cost of the aviation insurance coverage is borne by the individual Navy Flying Clubs proportionate to the size of each club's aircraft inventory.

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d. When writing lease agreements, the lease agreements shall include terms which allow for the cancellation of the lease if the aircraft becomes non-operational for an extended period of time.

804. Types of Insurance Coverage Provided

a. Liability. Liability coverage provides protection to a single limit of \$25 million for the death, or bodily injury to others, as well as damage to the property of others. "Others" is defined for coverage to mean those persons on the ground as well as passengers on board Navy Flying club aircraft.

b. Hull. Hull or Aircraft Physical Damage coverage provides protection for the aircraft hulls, up to the declared value of each aircraft. The hull value for each non-government owned aircraft will be at least 85 percent of current retail blue book value. Further, values should be reviewed periodically for correctness.

c. Emergency Medical. Emergency Medical costs are covered relating to a covered accident or mishap, up to \$5,000 for each passenger, pilot and crew member within 1 year from the date of a covered accident. Specifics are available from CHNAVPERS (Pers-653).

805. Entities Covered by Aviation Insurance. The following named insured are covered by the insurance mentioned in paragraph 804:

a. The United States of America and all agencies thereof.

b. All Navy Flying Clubs and their individual members.

c. Those certified flight instructors and maintenance personnel (A&P mechanics), retained as independent contractors of the Navy Flying Club Program, but only with respect to operations by or on behalf of the Navy Flying Club.

d. All employees and bona fide volunteers of a Navy Flying Club while acting within the scope of their duties.

e. All registered owners of aircraft leased to a Navy Flying Club.

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f. All recorded lienholders of aircraft are covered for their financial interest in aircraft which are either owned by or leased to a Navy Flying Club.

806. Property Coverage Conditions

a. The current deductible which applies to all Physical Damage claims is \$1,000. This is to be borne by the individual Navy Flying Club. This deductible applies to claims for only those that have been damaged and are repairable (partial loss).

b. If an aircraft is totally destroyed due to an accident or incident, the hull or physical damage insurance coverage and the liability insurance coverage for that aircraft terminates effective the day after the accident/incident.

c. If an aircraft has sustained damage resulting in a partial loss and an insurance claim is filed and subsequently paid, then both hull/physical damage and liability coverage will remain in effect. Accordingly, premiums for these coverages will continue to be charged.

807. Promotional Programs. Caution must be exercised in the conduct of promotional events. In conjunction with an "Open House" event in support of the Navy Flying Club, promotional rides may be provided to prospective new members. Donations to the club or a one-time charge representing a per person fee to defray aircraft operating expenses related to only the introductory flight may be levied. If a prospective member is allowed to take control of the aircraft, a Certified Flight Instructor must conduct the introductory flight. Prospective members should complete a Covenant Not to Sue, (appendix F) before taking their introductory flight.

808. Flights to Mexico. Flights to Mexico or accidents/incidents while in Mexico may result in the pilot/crew being jailed and/or the aircraft being impounded unless additional aviation insurance is written by a Mexican insurance company. This special insurance coverage must be verified and documented by CHNAVPERS (Pers-653) prior to departure from the U.S. Suitable insurance may be obtained with the help of CHNAVPERS (Pers-653). The cost of this additional insurance will be borne by the user flying club.

809. Reporting of Claims and Losses. Accidents and incidents that result in claims shall be reported as soon as possible to the Navy Flying Club Program Manager (Pers-656) or the NAF Insurance point of contact (Pers-653) and followed up with an

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"Unusual Occurrence Report" per chapter 9 of this instruction. The Club reporting official will be advised what information will be needed by the aviation insurance company to begin adjusting and processing any claims.

a. If the program manager or the NAF Insurance point of contact cannot be reached, the Navy Flying Club reporting official should contact either the Aviation Insurance Broker or the Aviation Insurance Company Claims Manager to report the accident/incident.

b. Any person expressing a desire to file a claim against an individual Navy Flying Club or against any other entity which appears to arise out of the operations of that Navy Flying Club, must be referred to the Aviation Insurance Company's Claims Department as soon as possible. Club officials, members, and employees should NOT discuss claim matters with potential claimants or their attorney(s) except to refer them to the Aviation Insurance Company Claims Manager.

810. Requests for Clarification of Insurance Coverage. For Navy Flying Clubs, this request will be addressed to CHNAVPERS (Pers-653) and should outline completely and specifically the situation using factual data whenever possible.

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CHAPTER IX
REPORTING PROCEDURES

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Enclosure (1)

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Chapter IX

REPORTING PROCEDURES

901. Responsibility. Commanding officers of activities sponsoring Navy Flying Clubs are responsible for ensuring that periodic and specific reporting requirements are met.

902. Mishap Reporting. Commanding officers shall require the investigation and reporting of all reportable injuries, fatalities, and material (property) damage involving personnel and equipment associated with Navy Flying Clubs operating within their respective commands. When a person is injured or killed or property damage occurs at a location remote from where club aircraft are based and operated, the naval activity nearest the scene will notify the sponsoring commanding officer and will investigate and report the mishap in accordance with this instruction unless relieved of this responsibility by the sponsoring commanding officer. The final responsibility for ensuring that the report is submitted rests with the sponsoring commanding officer.

a. Basic Reporting Requirement. Any accidental injury, fatality, or mishap involving material (property) damage which results in one or more of the following shall be investigated and reported under this instruction:

(1) Fatality - regardless of time between injury onset and death.

(2) 5 or more lost work days - away from work.

(3) Material (Property) Damage - involving a repair or replacement cost of \$500 or more.

(4) Any incident or accident not meeting the above criteria should be reported as an "UNUSUAL OCCURRENCE" following the format in appendix E.

b. USMC/USMCR Personnel. Cases of injury or fatality sustained in a Navy Flying Club aircraft mishap are reportable in accordance with this instruction. These reports shall be in addition to any reports required by Marine Corps regulations.

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c. Submission of Reports

(1) General. Flying club mishap reports are to be unclassified (FOR OFFICIAL USE ONLY) unless classified information is included. Classified information will not normally be involved and shall be included only when essential to determination of cause factors or otherwise necessary to understand the circumstances of the mishap.

(2) Preliminary/Update/Final Message Report. The flying club safety officer shall submit a Preliminary Message Report for any mishap involving club aircraft which results in injuries to military or civilian personnel causing 1 or more lost work days and/or property damage in excess of \$500. (The FAA definition of an accident is not relevant for the purpose of this report). This report shall be submitted in addition to reports required by the NTSB. Preliminary reports shall be required within 24 hours. Updates shall be submitted as additional information becomes available. Final Mishap Reports shall be required when the mishap investigation is complete, not to exceed 30 days. Reports shall be submitted to the Commander, Naval Safety Center; info CHNAVPERS; CNO; "All Navy Flying Club Activities"; and your chain of command.

(3) NTSB 6120.1/2, Pilot/Operator Aircraft Accident Report. The commanding officer's safety officer shall report flying club mishaps and incidents as required by NTSB part 830. A COPY OF THIS REPORT SHALL BE SUBMITTED TO THE COMMANDER, NAVAL SAFETY CENTER (CODE 10); CNO (CODES N09F, N554, N505); NAVAIR (CODE 4121C); AND CHNAVPERS (Pers-65). If there is doubt about classification of a mishap/incident, the safety officer shall request the assistance of the nearest NTSB or FAA facility to determine the proper classification.

(4) Additional Information. The club manager shall report unusual occurrences not otherwise required by NTSB, Part 830, but which may be used in mishap prevention to the sponsoring activity safety office for evaluation. Copies of such reports should be sent to the Commander, Naval Safety Center.

(5) Related Reports

(a) Civilian Occupational Injury and Death. See OPNAVINST 5102.1C for separate record keeping and reporting requirements of occupational injuries and deaths to Navy civilian personnel.

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903. Unusual Occurrence Reports. Although not reportable under the guidelines listed above, in appendix D, or by NTSB, part 830, various events, whether ground or in-flight, may occur that contain useful information to prevent a future mishap or injury based on the originator's experience. Identification and issuance of the information aids in eliminating potential hazards before they result in a mishap. Each individual has an obligation to others in the aviation community to report hazards. The Unusual Occurrence Report message provides each flying club with a communications vehicle to report these hazards. Using the format discussed in appendix E, the originator can provide other flying clubs with a clear picture of what took place, lessons learned, and data for future trend analysis. The quality of the report obviously depends on the quality of the local investigation into the attendant circumstances. The overall success of the Unusual Occurrence Report Program depends on the submission of complete, open, and forthright information and opinions concerning safety matters.

a. Method of submission; Unusual Occurrence Reports will be prepared following the format discussed in appendix E and submitted to the Command Safety Advisor (CSA) for review. The CSA or authorized releasing authority shall forward the message to other clubs via military radio/electronic communication facilities utilizing the "ALL NAVY FLYING CLUB ACTIVITIES" CAD. It should be noted that the CAD message system is only to be used for dissemination of essential aviation safety information and not for routine administrative matters. (Refer to OPNAVINST 3750.6Q (NOTAL)). If desired, the report may be sent via mail or message with the Commander, Naval Safety Center (Code 114), as the sole addressee. This reporting method may be used by activities reluctant to identify hazards arising from unique situations or circumstances. The Commander, Naval Safety Center will guard the report's confidentiality using an edited report. The exercise of command influence to edit, modify, or in any way censor the content of reports is contrary to the spirit of the program.

b. Non-Privileged Status; Unusual Occurrence Reports are not considered privileged and are releasable to the public upon appropriate official request. The only restriction on their use is designation as "FOR OFFICIAL USE ONLY." Personal identifiers, such as names and social security numbers shall not be included in Unusual Occurrence Reports, except as point of contact. If the investigation of a hazard can be properly conducted without the use of such personal information, such information should not be solicited.

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c. FOR OFFICIAL USE ONLY. Unusual Occurrence Reports are for official use only. See SECNAVINST 5720.42E for instructions on the handling of "FOR OFFICIAL USE ONLY" (FOUO) documents.

904. Annual Report. An annual report of flying club operations will be submitted to the CHNAVPERS (Pers-656) no later than 30 November. The report, BUPERS 1710-18, shall cover all club activity for the preceding fiscal year. The format for the annual report is contained in Appendix A and will include:

- a. General information.
- b. Flight hours by quarters.
- c. Balance sheet.
- d. Operating statement.
- e. Statement of net worth.
- f. Aircraft inventory.
- g. Membership summary.

h. Sponsoring commanding officer's narrative including an overall assessment of the club's operation and contribution to the command.

- i. Most recent command inspection results.

905. Reporting of Receipt/Transfer of Navy Loaned-Aircraft. As noted in Chapter III, paragraph 303a, the receiving or transferring commanding officer shall submit a letter report of the transaction, report control symbol BUPERS 1710-23.

906. Report of Establishment/Disestablishment of a Navy Flying Club. Reporting requirements incident to establishment/disestablishment of a Navy Flying Club are discussed in chapter I, report control symbol BUPERS 1710-19.

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APPENDIX A
ANNUAL REPORT
BUPERS 1710-18

FLYING CLUB NAME _____

BALANCE SHEET AS OF _____ 19 _____

PREPARED BY _____

ASSETSCURRENT

101-00 Cash/Checking \$ _____

120-00 Investments _____

131-00 Receivables _____

150-00 Inventories _____

168-00 Prepayments _____

Total Current Assets \$ _____

NON-CURRENT

171-00 Vehicles/Aircraft _____

181-00 Less: Accum.
Depreciation _____

Net Book Value \$ _____

173-00 Equipment _____

183-00 Less: Accum.
Depreciation _____

Net Book Value \$ _____

175-00 Bld. & Fac. _____

185-00 Less: Accum.
Depreciation
Net Book Value \$ _____

191-00 Loans Rec. \$ _____

Appendix A
To Enclosure (1)

OPNAVINST 1710.2E

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Total Non-Current Assets \$ _____

TOTAL ASSETS \$ _____

LIABILITIES

CURRENT

201-00 Accts Payable \$ _____

203-01 Customer Deposits \$ _____

211-00 Accrued Wage Payable _____

212-00 Annual Leave Payable _____

213-00 Federal Withholding Tax Payable _____

214-00 Social Security Tax Payable _____

215-00 State Withholding Tax Payable _____

229-00 Payroll ded. Pay. - Other _____

251-00 Unearned Income _____

TOTAL CURRENT LIABILITIES \$ _____

LONG TERM

271-00 Loans pay. (Long Term) _____

272-00 Other Long-Term Liab. _____

TOTAL LONG-TERM LIABILITIES \$ _____

TOTAL LIABILITIES

291-00 Retained Earnings _____

299-00 Funded Reserves _____

Net Worth \$ _____

TOTAL LIABILITIES AND NET WORTH* \$ _____

* Must equal Total Assets

Appendix A
To Enclosure (1)

A-2

24 MAY 1993

FLYING CLUB NAME:

Income and Expense Statement for Fiscal Year Ending

INCOMERESALE

301-00	Sale of Merchandise	\$_____
401-00	Less: Cost of Merchandise	_____
	Gross Margin on Merchandise	\$_____ (a)

SALES OF SERVICE

501-00	Flight Hour Sales	_____
502-00	In-flight Instruction	_____
503-00	Ground School Instruction	_____
	Total Service Sales	_____ (b)
	TOTAL GROSS SALES (a+b)	\$_____ (1)

OTHER OPERATING INCOME

531-00	Initiation Fees/Non-Refundable	_____
532-00	Membership Dues	_____
569-00	Other Income	_____
	TOTAL OPERATING INCOME	_____ (2)

OTHER INCOME

800-00	Interest Income	_____
810-00	Contributions	_____
811-00	Special Assessment Income	_____
812-00	Cash Overage	_____
813-00	Gain on Disp. of Fixed Assets	_____

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814-00	Prior Year Income Adjustment	_____
819-00	Bonus Merchandise	_____
890-00	Extraordinary Income **	_____
	Total Other Income	\$_____ (3)
	Total Income (1+2+3)	\$_____ (4)

DIRECT, GENERAL, AND ADMINISTRATIVE EXPENSE

OPERATING EXPENSES

420-01	Aircraft Lease Expense	_____
420-02	Storage and Tiedown	_____
423-00	Gasoline and Oil	_____
426-01	Aircraft Maintenance - Routine	_____
426-02	Aircraft Maintenance - Overhaul	_____
601-00	Salaries and Wages - Direct	_____
621-00	Employer's Share of FICA - Dir.	_____
622-00	Annual Leave Exp. - Direct	_____
623-00	Sick Leave Exp. - Direct	_____
626-00	Employee Benefits - Direct	_____
640-00	Utilities and Rent - Direct	_____
701-00	Supplies and Equip. - Direct	_____
731-00	Freight and Trans. of Things	_____
780-00	Insurance Expense	_____
783-01	Contract Inst. - In Flight	_____
783-02	Contract Inst. - Ground	_____

Appendix A
To Enclosure (1)

A-4

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799-00 Miscellaneous - Direct _____
Total Operating Expenses \$_____ (c)

GENERAL AND ADMINISTRATIVE EXPENSE

601-99 Salaries and Wages - Adm. _____
621-99 Employer's Share of FICA - Adm. _____
622-99 Annual Leave Exp. - Adm. _____
623-99 Sick Leave Exp. - Adm. _____
626-99 Employee Benefits - Admin _____
640-99 Utilities and Rent - Admin _____
661-99 Communications (Tele. and Post.) _____
681-99 Repairs and Maint. - Bldgs. _____
683-99 Repairs and Maint. - Equip. _____
701-99 Supplies - Administrative _____
721-99 Travel and Per Diem _____
731-99 Freight and Trans. - Admin. _____
781-99 Advertising and Promotion _____
787-99 Entertainment _____
799-99 Miscellaneous - Administrative _____
Total Administrative Expenses \$_____ (d)

DEPRECIATION

761-00 Depreciation Exp. - Veh/Aircft _____
762-00 Depreciation Exp. - Equipment _____
763-00 Depreciation Exp. - Bldg & Fac. _____

OPNAVINST 1710.2E
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Total Depreciation Expense \$_____ (e)

Total Direct, General, and Adm. (c+d+e) \$_____ (5)

OTHER EXPENSE

900-00 Interest Expense _____

911-00 Special Assessment Expense _____

912-00 Cash Shortage _____

913-00 Loss on Disp. of Fixed Assets _____

914-00 Prior Year Expense Adjustment _____

915-00 Bad Debt Expense _____

990-00 Extraordinary Expense ** _____

Total Other Expense \$_____ (6)

Total Expense (5+6) \$_____ (7)

NET INCOME (LOSS) (4-7) \$_____

** Schedule Required

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FLYING CLUB NAME

STATEMENT OF NET WORTH AS OF

19

	<u>Funded Reserves</u>	<u>Retained Earnings</u>
Beginning Balances as of _____	_____	_____
Add: Profit		_____
Deduct: Loss		(_____)
Transfer of Retained Earnings to Funded Reserves		(_____)
Transfer of Funded Reserves to Retained Earnings	(_____)	_____
Ending Balances	(a) _____	(b) _____
TOTAL NET WORTH (a+b)		_____

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APPENDIX B

NAVY FLYING CLUB INSPECTION CHECKLIST

Reference: (a) OPNAVINST 1710.2E

Organization, Management, and Administration:

- | | Yes | No |
|--|-------|-------|
| 1. Has the sponsoring commanding officer appointed the required advisors to the BOD? (para 202b) | _____ | _____ |
| _____ | | |
| 2. Does the sponsoring commanding officer's advisor attend the BOD meetings? (para 202c (6)) | _____ | _____ |
| _____ | | |
| 3. Has the club manager established operational and administrative procedures to comply with OPNAVINST 1710.2E, FARs, NAVSO P-3520, and other applicable directives? | _____ | _____ |
| _____ | | |
| 4. Do accounting procedures comply with NAVSO P-3520? (para 703b (1)) | _____ | _____ |
| _____ | | |
| 5. Are adequate hangar space and related facilities provided by the base? (para 105b) | _____ | _____ |
| _____ | | |
| 6. Are all required annual inspections being performed? (para 203) | _____ | _____ |
| _____ | | |
| 7. Do the sponsoring commanding officer's inspection teams consist of representatives from: (para 203) | | |
| | Yes | No |
| a. Safety? | _____ | _____ |
| b. Operations? | _____ | _____ |

Appendix B
To Enclosure (1)

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	Yes	No
c. Maintenance?	_____	_____
d. Supply or internal review staff	_____	_____
8. Does the inspection team use checklists and cite references for discrepancies noted? (para 203)	_____	_____
9. Is the BOD properly organized? (para 205)	_____	_____
10. Is the BOD discharging its duties properly? (para 205)	_____	_____
11. Is the manager a paid employee? (para 206)	_____	_____
12. Are flight instructor contracts set up properly? (para 208)	_____	_____
13. Has a chief flight instructor been designated? (para 207)	_____	_____
14. Is flying club membership restricted to those eligible? (para 209d)	_____	_____
15. Is a membership and training folder available for each member? (para 214)	_____	_____
16. Does each individual training folder contain the following minimum information? (para 214)		
a. Membership data (approved membership application?)	_____	_____

Appendix B
To Enclosure (1)

B-2

	Yes	No
b. Written examinations? (paras 214e & 414)	_____	_____
c. Check-out records?	_____	_____
d. Annual standardization check-out records?	_____	_____
17. Are pilot information cards available to the flight clearance authority? (para 215)	_____	_____

<u>Aircraft, Equipment and Supplies:</u>		
1. Are new aircraft purchased properly? (para 301)	_____	_____

2. Does the club possess more aircraft than its membership can support? (para 302)	_____	_____
a. Approximately 25 members per aircraft?	_____	_____
b. 35 to 40 revenue-producing hours per month per aircraft?	_____	_____

3. Can aircraft be operated within existing club maintenance resources? (para 302)	_____	_____

4. Are any aircraft and engine replacement parts obtained through the Navy supply system?	_____	_____
a. Are they resold or passed to privately-owned or leased aircraft? (para 305a)	_____	_____
b. Is the cost of parts obtained through the Navy supply system fully reimbursed by the flying club? (para. 304)	_____	_____

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	Yes	No
5. Are fuels and chemicals made available under current Navy Supply System directives? (para 305a)	_____	_____

6. Is aviation fuel purchased under the Navy Supply System resold to individuals for use in privately-owned aircraft? (para 305a)	_____	_____

7. Is the cost of aviation fuel procured from the Navy Supply System fully reimbursed by the flying club? (para 305a)	_____	_____

8. Does club spare parts inventory reflect anticipated usage? (para 306)	_____	_____

9. Is club property safely and securely stored? (para 306)	_____	_____

10. Are inventories of club property taken? (para 306)	_____	_____

11. Do all club aircraft have current FAA registration? (para 307)	_____	_____

<u>Operations, Training, and Standardization:</u>		
1. Is the established local flying area within 100 nautical miles? (para 401a)	_____	_____

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	Yes	No
2. Is the local flying area clearly displayed in the club facility? (para 401a)	_____	_____
<hr/>		
3. Is a system in effect which ensures that all pilots read and initial the PIF before flying as pilot-in-command? (para 403b (2))	_____	_____
<hr/>		
4. Are all flight clearance authorities designated in writing by the sponsoring commanding officer? (para 401d)	_____	_____
<hr/>		
5. Does the club allow members to perform aerobatic maneuvers other than those allowed in para 4041?	_____	_____
<hr/>		
6. Are solo student pilots permitted to perform touch-and-go landings? (para 405d)	_____	_____
<hr/>		
7. Is there evidence of any flying club aircraft being used for commercial purposes? (para 404i)	_____	_____
<hr/>		
8. Are all cross-country flights (outside the local flying area) formally requested by the pilot-in-command and formally approved by a flying club flight clearance authority? (para 416)	_____	_____
<hr/>		
9. Are up-to-date checklists for performing preflight inspections available for all types of aircraft being flown? (para 409a)	_____	_____
<hr/>		

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	Yes	No
10. If aircraft are operated over water or unique terrain, are life preservers and survival equipment commensurate with the operation available? (para 409)	_____	_____

11. Are checklists available which include procedures for preflight, before start, pretakeoff, cruise, before landing, after landing, secure, postflight, single-engine procedures (if appropriate), normal and emergency procedures, best climb and glide speeds, stall speeds, and lost communication procedures? (para 409a)	_____	_____

12. Are all flights scheduled in the club office before takeoff? (para 410)	_____	_____

13. Does the standardization board meet quarterly, document its meetings, and forward a copy of meeting minutes to the sponsoring commanding officer? (para 412)	_____	_____

14. Is a standardization evaluation flight check given to each flying club member in each specific make and model aircraft before initial flight as pilot-in-command? (para 413)	_____	_____

15. Are the written examination portions (or answer sheets) of all standardization flights, included in the member's training folder? (para 414)	_____	_____

16. Do student pilots demonstrate their proficiency to an instructor pilot at least once each 30 days?	_____	_____

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Yes No

Are student pilots grounded until this requirement is met? (para 415)

17. Are pilots who fail to maintain currency within the appropriate time period grounded until a flight check is accomplished? (para 415a(2) and 415d)

18. Is a primary ground school available for all primary students? (para 418)

19. Has the chief flight instructor developed instructions to be followed by all flight instructors? (para 207)

20. Are check-outs in retractable gear aircraft performed properly? (para 421)

Safety:

1. Is the flying club safety officer a certified private pilot or higher with 200 or more flying hours? (para 502)

2. Are safety meetings conducted at least every 2 months and are minutes available for membership review within 5 work days after the meeting? (para 502b)

3. Has the sponsoring commanding officer appointed the command aviation safety officer or ground safety

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	Yes	No
officer, if not an aviation activity, as an advisor to the BOD? (para 503)	_____	_____

4. Does the command safety officer participate in the quarterly inspection of the club? (para 503b)	_____	_____

5. Are safety related materials available to the flying club? (para 503d)	_____	_____

6. Are flying club mishap reviews available to the club? (para 503d)	_____	_____

7. Does the activity safety officer report accidents and incidents properly? (para 503)	_____	_____

8. Is attendance at club safety meetings mandatory? (para 504)	_____	_____

9. Are members who fail to attend a safety meeting denied all flying privileges until they are cleared by the safety officer? (para 504c)	_____	_____

10. Is the command aviation safety officer familiar with flying club accident and incident reporting procedures and are his or her services readily available to the club? (para 503)	_____	_____

11. Are undue structural stresses such as hard landings or severe turbulence documented on the appropriate aircraft log and is the aircraft		

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	Yes	No
inspected for airworthiness before being released for subsequent flights? (para 602f)	_____	_____

12. Does the flying club safety officer have a premishap plan? (para 502g)	_____	_____

Aircraft Maintenance

1. Is there a preflight checklist available and does the club enforce its' use? (para 408)	_____	_____

2. What is used to document a discrepancy found on a club aircraft? (para 602)	_____	_____

3. How are club aircraft kept from being flown with uncorrected Safety-of-Flight discrepancies? (para 603c(5))	_____	_____

4. Is there a maintenance discrepancy log for each aircraft that contains all discrepancies and corrective actions for the last 200 hours of operation? (para 602e)	_____	_____

5. Is the post maintenance history for each aircraft available for review? (FAA Advisory Circular 43-9A)	_____	_____

6. Has all the maintenance requiring airworthiness certification been logged in the aircraft/engine logbook? (para 603c(6))	_____	_____

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	Yes	No
7. Do the entries bear the signature and license number of an appropriately rated mechanic? (FAR, parts 43.0 and 43.11)	_____	_____

8. Does the maintenance officer coordinate all club maintenance requirements? (para 603c)	_____	_____

9. Is the sponsoring activity providing support when needed? (paras 304 and 603c(1))	_____	_____

10. Is the maintenance scheduled so as to provide maximum availability of aircraft during peak times (weekends, holidays)? (para 603c(12))	_____	_____

11. Does the maintenance program provide for the following? (para 601)		
a. A schedule of FAA required inspections?	_____	_____

b. Routine inspections?	_____	_____

c. Engine replacement or overhaul?	_____	_____

d. Component overhaul or replacement?	_____	_____

e. Replacement of hoses at required intervals?	_____	_____

f. Positive corrosion control? (AC 43-4)	_____	_____

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Yes No

12. Are aircraft maintenance checklists available for each type aircraft? (para 602b)

13. Are the checklists used when performing required maintenance inspections? (para 602b)

14. Is an adequate Tool Control Program in writing and working? (para 603c(3))

15. Are the replacement parts under positive control? (para 603c(4))

16. Is there an up-to-date inventory of supplies? (para 306)

17. Are logbooks maintained for each club aircraft and engine as required by FAA directives? (para 603c(6))

18. Is the club on automatic distribution for changes and revisions to manufacturer's publications and FAA directives? (para 603c(10))

19. Does the club have the following? (para 603c(10)(a)-(1))

- a. Manufacturer's publications for each type aircraft, engine, and propeller maintained by the club (service manuals, letters, and bulletins).

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	Yes	No
b. FAR 39 (Airworthiness Directives and Volume 1, Summary of Airworthiness Directives for small aircraft).	_____	_____
c. FAR, part 43 (Maintenance, Preventive Maintenance, Rebuilding, and Alteration)	_____	_____
d. FAR, part 45 (Identification and Registration Markings)	_____	_____
e. FAR, part 47 (Aircraft Registration)	_____	_____
f. FAR, part 61 (Certification: Pilots and Flight Instructors) (para 403b(1)(b))	_____	_____
g. FAR, part 65 (Certification-Airman other than Flight Crewmembers)	_____	_____
h. FAR, part 91 (General Operating and Flight Rules) (para 403b (1)(b))	_____	_____
i. FAA AC 43-16 (General Aviation Airworthiness Alerts)	_____	_____
j. FAA AC 41-13.1A (Acceptable Methods, Techniques and Practices - Aircraft Inspection and Repair)	_____	_____
k. FAA AC 41-13.2A (Acceptable Methods, Techniques and Practices - Aircraft Alterations)	_____	_____
l. FAA AC 43-4 (Corrosion Control for Aircraft)	_____	_____
m. FAA AC 43-9 (Maintenance Records, General Aviation Aircraft)	_____	_____

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	Yes	No
20. Are quarterly material condition inspections being performed on each club aircraft? (Station AIMD/OMD QA) (para 604b)	_____	_____
<hr/>		
21. Is there a record of previous quarterly material conditions inspections?	_____	_____
22. Check one or more club aircraft for:		
a. Up-To-Date airworthiness certificate (FAR, parts 43 and 91)	_____	_____
b. Current aircraft equipment inventory (para 603c(11))	_____	_____
c. Current Weight and Balance para 603c(11))	_____	_____
d. Cabin interior for FOD	_____	_____
e. Engine cavity for FOD	_____	_____
f. Exterior for corrosion, loose/missing fasteners	_____	_____
23. Does the club status board reflect the following for each aircraft? (para 603c(13))		
a. Time until 100-hour inspection	_____	_____
b. Date annual inspection, transponder, pitot static, and ELT battery checks due	_____	_____
c. Time until major overhaul (if applicable)	_____	_____
d. Time until next AD (including next recurring)	_____	_____
e. Current aircraft status	_____	_____
24. How many people have flight clearance authority (certified private pilot or higher with 200 or more flight hours - club manager excluded)? (para 401f) (Number_____)		

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	Yes	No
25. Check the hangar for the following:		
a. Grounding points for aircraft (MIL-HDBK-274 & NEPA 410)	_____	_____
b. Safety precautions posted for each piece of shop machinery (OSHA 29 CFR 1910.145)	_____	_____
c. Electrical power control switches for each piece of shop machinery (painted red) (NAVFAC P-309)	_____	_____
d. Hazard areas properly marked, identified and color coded (NAVFAC P-309)	_____	_____
e. Proper storage of flammable materials (OPNAVINST 5100.23C, para 19003A)	_____	_____
f. Eye protective equipment for operating eye hazardous equipment (OPNAVINST 5100.23C, para 19003A)	_____	_____
g. Emergency eyewash facility provided in areas where corrosive materials are used (ANZI Z358.1-1981)	_____	_____
h. Provisions for disposal of hazardous waste (OSHA 29CFA 1910.106)	_____	_____
26. Does the maintenance officer have, in writing, a fuel quality assurance program? (para 603c(8))	_____	_____
27. Does the maintenance officer coordinate and conduct a FOD walkdown of the hangar spaces and ramp areas, which are used by the flying club, a minimum of once a week? (para.603)	_____	_____

Financial Management:

1. Does the club's management of assets, payment of liabilities and billing, and collection of income substantially conform to NAVSO P-3520, OPNAVINST 1710.2E, and the club's constitution, bylaws and regulations? (NAVSO P-3520, para 352)	_____	_____
---	-------	-------

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	Yes	No
2. Do accounts, records and procedures support an internal control system? (NAVSOP-3520, para 602).	_____	_____
<hr/>		
3. Are annual reports supported by accounting records and previous annual reports to assure substantial accuracy? (NAVSOP-3520, para 515)	_____	_____
<hr/>		
4. Are cash receipts accurately documented and safeguarded? (NAVSOP-3520, para 521)	_____	_____
<hr/>		
5. Are bank statements reconciled monthly? (NAVSOP-3520, para 515)	_____	_____
<hr/>		
6. Are investments of club assets made according to NAVSOP-3520? (para 363)	_____	_____
<hr/>		
7. Are accounts receivable periodically reviewed? Is action taken against accounts 60 days or older? Are uncollectible accounts written off against bad debt expense with commanding officer approval? (NAVSOP-3520, para 362)	_____	_____
<hr/>		
8. Are inventories of resale items taken periodically? Is pricing of resale inventories sufficient to cover the cost of goods sold and the overhead of maintenance? (NAVSOP-3520, paras 570 and, 574)	_____	_____
<hr/>		
9. Are changes in the value of fixed assets documented? (NAVSOP-3520, paras 572 and, 574)	_____	_____
<hr/>		

OPNAVINST 1710.2E

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Yes No

10. Have depreciation schedules been derived for fixed (noncurrent) assets? Is depreciation expense recorded? (NAVSOP-3520, para 572)

11. Are bills paid promptly? Are invoices supported by copies of purchase orders? Are invoices certified for payment? (NAVSOP-3520, paras 550 and 552)

12. Review payroll for pay computation, completeness of earnings records, that IRS Form 941 agrees with pay records and that withholding taxes and FICA are paid when due. Is unpaid payroll as of 30 September recorded as a liability? (NAVSOP-3520, para 560)

13. Are any other payables, such as amounts due CHNAVPERs, a bank or a lessor for aircraft, outstanding as of 30 September, recorded as liabilities? (NAVSOP-3520, paras 364, 580 and 582)

14. Net worth as of the end of the preceding fiscal year, and as reported on the annual report, plus profit/minus loss, and adjusted for transfers to or from funded reserves, should equal net worth as of the end of the report year. Has present net worth been accurately stated? (NAVSOP-3520, paras 580 and 582)

15. Have service charge rates been approved by the commanding officer? (BUPERSINST 1710.13)

16. Does the rate structure cover all club expenses including insurance, depreciation and reserves for overhaul? (BUPERSINST 1710.13).

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To Enclosure (1)

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24 MAY 1993

Yes No

17. Do monthly statements agree with members' accounts? (BUPERSINST 1710.13 and NAVSO P-3520, para 525)

18. Is each income category shown on the annual report recorded and supported by appropriate documentation? (NAVSO P-3520, para 602)

19. Do procurement procedures conform to BUPERSINST 7043.1, Procurement Handbook for Nonappropriated Fund Activities?

20. Do resale prices agree with both procurement documents and invoices? (NAVSO P-3520, paras 550 and 551)

21. Do rental agreements exist for leased aircraft? Are rental rates competitive? Do lease agreements provide for sole use by the flying club? Are leased aircraft equally available to all club members? Do lease agreements provide for termination if the aircraft is inoperable? Do lease agreements specify maintenance requirements? (para 301).

22. Where applicable, do storage and tie-down agreements exist? Are charges in accordance with the agreement? Are privately-owned aircraft excluded from such agreements?

23. Have major overhauls and routine maintenance been deferred due to insufficient funds? Does the club provide for these expenses?

24 MAY 1993

Yes No

24. Are all club aircraft assets properly insured?
Are insurance requirements promptly forwarded to
CHNAVPERS? Are insurance premiums paid promptly?
(para 803)

25. Where material errors have been found in club
financial records, have amended reports been filed?
Has corrective action been taken on all
discrepancies? (BUPERSINST 1710.13)

24 MAY 1993

APPENDIX C

REPORT OF NAVY-LOANED AIRCRAFT OUT OF SERVICE

SAMPLE MESSAGE

Routine/Classified

FROM: (ACTIVITY SPONSORING CLUB)

TO: CNO WASHINGTON DC//N____//

INFO: BUPERS WASHINGTON DC//65//
COMNAVAIRSYSCOM WASHINGTON DC//JJJ//(OR OFFICE CODE IF
KNOWN)
(CHAIN OF COMMAND)

UNCLAS //N01710//

FLYING CLUB REPORT OF NAVY-LOANED AIRCRAFT OUT OF SERVICE, BUPERS
1710-20

A. OPNAVINST 1710.2E

1. Initial report, follow-up report number 1, 2, etc., final report (as applicable).
2. Name of club.
3. Model/Buno/FAA Reg. No.
4. Date last flown.
5. Brief description of discrepancy(ies) ("N" on follow-up report unless there are changes or additions).
6. Estimated cost of repair (total on Final Report).
7. Brief description of planned corrective action ("NA" on Final Report).
8. Estimated completion date (date returned to service on Final Report).
9. Requests/Remarks/Recommendations.

Appendix C
To Enclosure (1)

24 MAY 1993

APPENDIX D

NAVY FLYING CLUB MISHAP REPORT

SAMPLE MESSAGE

1. General. The format and content shown below are to be used for reporting Navy Flying Club aircraft incidents, accidents, or mishaps. Preliminary reports are to be submitted within 24 hours with updates as necessary and final report within 30 days. Omit items that do not apply or are not relevant to the mishap.

2. Content and Format
(Precedence - Routine)

FROM: HOST ACTIVITY
TO: NAVSAFECEN NORFOLK VA//JJJ// (OR OFFICE CODE IF KNOWN)
INFO: CNO WASHINGTON DC//N505//
BUPERS WASHINGTON DC//65//
COMNAVAIRSYSCOM WASHINGTON DC//JJJ//
YOUR CHAIN OF COMMAND
ALL NAVY FLYING CLUB ACTIVITIES

UNCLAS FOUO (NORMALLY UNCLAS UNLESS CLASSIFIED INFORMATION MUST BE INCLUDED)

THIS IS A GENERAL USE MISHAP REPORT TO BE USED ONLY FOR SAFETY PURPOSES PER OPNAVINST 1710.2E

SUBJ: PRELIMINARY/UPDATE/FINAL (AS APPLICABLE) FLYING CLUB MISHAP REPORT (REPORT SYMBOL BUPERS 1710-21)

MSGID/GENADMIN/

REF/A/DOC/OPNAV/APPLICABLE INSTRUCTION DATE//

AMPN/NAVY FLYING CLUB PROGRAM INSTRUCTION//

RMKS/1. UIC of host activity; name of flying club.

2. Date, time (local), day or night, environment (significant weather, etc.).

3. Location of mishap.

4. Aircraft type, make, model, aircraft bureau number, FAA registration number.

Appendix D
To Enclosure (1)

24 MAY 1993

5. Description of damage and cost to repair.
6. Pilot at controls' grade, age, membership eligibility status; and degree of injury.
7. Pilot at controls' total time; total time in type or model; time in last 90/60/30 days; date last standardization flight check; FAA certificates held; and ratings.
8. Other certificated pilots that had access to the flight controls (provide same information as in paragraph 7).
9. Identification of other crewmembers or passengers; eligibility status; and degree of injury for each.
10. Type of flight (local, cross-country, training, etc.); flight clearance; time of takeoff; destination; and duration. (If on extended cross-country, list itinerary for flight, i.e., departure and arrival time for each leg).
11. Phase of operation (start, taxi, takeoff, cruise, decent, approach, landing, touch and go, etc.).
12. Mishap Narrative (a concise chronological description of facts and circumstances leading to the occurrence).
13. Findings. List sequentially the events and conditions material to the mishap and identify one or more causes. State if environment was considered a factor.
14. Recommendations. Indicate preventive action taken, planned, or recommended. Indicate if the Navy Flying Club Instruction (OPNAVINST 1710.2E) should be amended to prevent future incidents of this type and if so, what that recommendation would be.
15. Other damage or injury.
16. Additional information.
 - a. Disposition of wreckage.
 - b. Date the NTSB or FAA was notified; office location; case number; and point-of-contact if known.
17. Reporting or investigating officer's name, grade, and telephone number.

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APPENDIX E

NAVY FLYING CLUB FINAL AND UNUSUAL OCCURRENCE REPORT

SAMPLE MESSAGE

1. General. Learning through the experiences of others is an invaluable and vital tool in identifying and eliminating potential hazards before they result in mishaps. The format and content shown below are to be used for final reporting of Navy Flying Club incidents, and incidents that do not fall within the dollar or injury criteria discussed in appendix D, but identify potential or experienced hazards appropriate for community consideration. The report is to be submitted within 30 days, or sooner, depending on the severity of the incident. Omit items that do not apply or are not relevant to the incident.

2. Content and Format: (Precedence - Routine)

a. All material underlined in the format below shall be repeated verbatim in the text of the report, except mishap associated reports (refer to subparagraph 303d).

b. If any information required by the format of the report is obviously not appropriate for the hazard being reported, enter "NA" in the space for information.

c. The extent of the information provided in a hazard report may vary considerable, depending on the circumstances attendant to the hazard. If extensive information is required to explain a hazard and/or support conclusions or recommended corrective action, a hazard report might contain several pages. A "simple and well defined" hazard might be reported in a one- or two-page hazard report.

FROM: HOST ACTIVITY

TO: NAVSAFECEN NORFOLK VA

INFO: BUPERS WASHINGTON DC//65//
ALL NAVY FLYING CLUB ACTIVITIES (Optional)
CNO WASHINGTON DC//N505//

UNCLAS FOUO

Appendix E
To Enclosure (1)

OPNAVINST 1710.2E
24 MAY 1993

THIS IS A MISHAP REPORT TO BE USED ONLY FOR SAFETY PURPOSES PER
OPNAVINST 1710.2E

SUBJ: NAVY FLYING CLUB UNUSUAL OCCURRENCE REPORT (Report symbol
NMPC 1710-21)

Ref: OPNAVINST 1710.2E

1. Summary. Succinctly summarize the contents of the report in
two lines or less.

2. Data

a. Aircraft: Aircraft type, make and model.

b. Pilot: (1) total time (private and military); (2) total
time in type or model of aircraft involved; (3) time in all types
or models of aircraft flown during the last 90 days listed by
type; (4) date of last standardization flight check; (5) FAA
ratings held; (6) military status; (7) membership eligibility
status.

c. Copilot: (if applicable): (1) total time (private and
military); (2) total time in type or model of aircraft involved;
(3) FAA ratings held; (4) military status; (5) membership
eligibility status.

d. Other passengers (if applicable): (1) total number; (2)
membership eligibility.

e. Mission (if applicable): (1) type of flight; (2) flight
clearance; (3) phase of operations; (4) duration of flight.

f. Environment: (1) date; (2) local time; (3) local time
zone; (4) day or night; (5) location; (6) altitude AGL or MSL
(specify which); (7) weather; (8) other background information
needed to understand the remainder of the report.

g. Technical Information:

(1) For material failure, malfunction or design
deficiency, include adequate nomenclature.

(2) Life Support Equipment used or not used.

3. Narrative Description. A concise, chronological description
of facts, and circumstances leading to the occurrence and explain

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To Enclosure (1)

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exactly how the hazard could result in damage and/or injury.

4. Corrective Action. Describe corrective action taken to eliminate the hazard or corrective action recommended to eliminate the hazard or if it is beyond the capability of the originator to formulate recommendation, so state.

5. Remarks. Contents of this paragraph are at the discretion of the originator.

6. Point-of-Contact (POC). List the rank/rate, name, title, DSN and/or commercial number of an individual designated to answer inquiries about the report. (NAVSAFECEN will become POC if Safety Center becomes originator to CAD).

7. Commanding Officer's Comments. (optional)

APPENDIX F

24 MAY 1993

SAMPLE COVENANT NOT TO SUE
AND
INDEMNITY AGREEMENT

LOCATION: _____

DATE: _____

I, * _____, am about to participate voluntarily in various activities, including flying activities, of the _____ Flying Club as a pilot, student pilot, copilot, instructor or passenger. In consideration of the Flying Club permitting me to participate in these activities, I, for my heirs, administrators, executors, and assignees, hereby covenant and agree that I will never institute, prosecute, or in any way aid in the institution or prosecution of, any demand, claim, or suit against the U.S. Government and/or its officers, agents, or employees, acting officially or otherwise, for any loss, damage, or injury to my person (including death), or my property which may occur from any cause whatsoever as a result of participation in the flying club.

If I or my heirs, administrators, executor, and assignees should demand, claim, sue, or aid in any way in such a demand, claim, or suit, I agree to indemnify the U.S. Government for all damages, expenses, and costs it may incur as a result thereof.

I understand and agree that I am assuming the risk of any personal injury or property damage to me that may result while participating in flying club activities, including such injuries or damage that may be caused by the negligence of the U.S. Government.

I also understand and agree that I may be held liable for any damage or loss to the U.S. Government which is caused by my gross negligence, willful misconduct, or fraud.

The term "U.S. Government" as used here includes the _____ Flying Club including individual members and any officer, agent or employee of the U.S. Government/or the Flying Club, acting officially or otherwise.

DATE: _____

SIGNATURE: _____

SIGNATURE, FLYING CLUB OFFICER: _____

Appendix F
To Enclosure (1)

OPNAVINST 1710.2E

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* If a minor, so indicate and state age. The minor will sign if capable of signing. If not capable, have parent sign for the minor, i.e., "John Jones by Harry Jones, his father" and sign below.

FOR MINORS:

I/We, _____ parents of the above-said minor child do hereby: (1) consent to my child participating in the _____ Flying Club activities; (2) agree to and adopt as my own the conditions of the above agreement; and (3) agree to reimburse the U.S. Government for any damage incurred for which my child would be liable had, my child reached the age of majority.

DATE: _____

PARENT'S SIGNATURE:

(The above form is to be completed for all minors, regardless of age and regardless of whether the parent has executed the indemnity agreement form on behalf of the minor).

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To Enclosure(1)

24 MAY 1993

APPENDIX G

SAMPLE

LEASE AGREEMENT

Contract No. _____

THIS AGREEMENT is made and entered into by and between _____, a Nonappropriated Fund Instrumentality (NAFI) of the United States Navy hereinafter called the LESSEE, and _____, Contractor, hereinafter called the LESSOR.

NOW, THEREFORE, the LESSEE and the LESSOR, for the consideration hereinafter set forth, agree as follows:

ARTICLE 1: The LESSOR agrees to lease to the LESSEE for its exclusive use during the term of this lease agreement, _____ (insert quantity) airplane(s) which is (are) described in Annex "A" to this lease agreement for a period of _____ (insert number) months, which airplane(s) are warranted by the LESSOR to be airworthy according to Federal Aviation Administration standards. LESSOR represents that he/she is the (sole owner) (sole owner subject to a mortgage held by _____) of the airplane(s).

ARTICLE 2: The airplane(s) provided by the LESSOR shall have, at the time of delivery:

a. The equipment listed in Annex "A" to this lease agreement.

b. A certificate from the appropriate United States agency indicating that the airplane(s) is (are) airworthy.

c. Prior to acceptance, the LESSEE shall inspect, test and flight-check the airplane(s) through its authorized agent(s). If such test or inspection reveals that the airplane(s) is (are) not equipped and/or the condition is not as stipulated, LESSEE may decline acceptance, in which case this agreement shall become null and void.

ARTICLE 3: Insurance Options

a. Option No. 1

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To Enclosure (1)

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(1) The LESSEE agrees to maintain hull repair insurance coverage under the Navy Flying Club Insurance program following applicable Navy directives. The hull repair coverage will be maintained for the declared amount of \$_____. This declared amount will be reestablished annually (based on the effective date of this agreement) in an amount commensurate with the value of the airplane and all installed equipment listed in Annex A. The liability of the LESSEE for damage to the aircraft shall not exceed the declared value. Hull repair insurance coverage is not extended to the LESSOR in either of the following instances:

(a) When the LESSOR is in care, custody, or control of the airplane (unless at the time of damage to the airplane the LESSOR was acting in the capacity of an authorized member or participant of the Navy Flying Club).

(b) Or, if the hull damage resulted from the negligence of the LESSOR, his or her agents, servants, or employees.

(2) The LESSEE agrees to maintain public liability (both bodily injury and damage to the property of others) insurance coverage under the Navy Flying Club insurance program in accordance with applicable Navy directives. The public liability coverage, discussed in this paragraph, is not extended to the LESSOR when the LESSOR is in care, custody, or control of the airplane, unless at the time of the occurrence giving rise to a public liability claim, the LESSOR is acting in the capacity of an authorized member or participant of the Navy Flying Club.

(3) The LESSOR is not held liable for any portion of the premium assessment or deductible applicable for either the hull or public liability coverage provided under this article. No part of the rental fee provided above is allocated as a payment for such coverage.

b. Option No. 2

(1) The LESSOR shall provide hull insurance in the amount deemed necessary to cover the airplane(s). The LESSEE is (is not) responsible for the deductible amount of the insurance, (but such responsibility of the LESSEE shall not exceed _____ per incident). The LESSOR shall not hold the lessee, its agents, employees, and authorized participants in its activities liable for any damage to the airplane (except for such deductible amount provided herein).

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(2) The LESSEE agrees to maintain public liability (both bodily injury and damage to the property of others) insurance coverage under the Navy Flying Club insurance program discussed in this paragraph is not extended to the LESSOR (unless at the time of the occurrence giving rise to a public liability claim, the LESSOR is acting in the capacity of an authorized member or participant of the Navy Flying Club).

(3) The LESSOR is not held liable for any portion of the premium assessment applicable for public liability coverage provided under this article. No part of the rental fee provided above is allocated as payment for such coverage.

ARTICLE 4:

a. Option No. 1: The LESSEE does not guarantee a minimum monthly use of the airplane(s). The number of operating hours shall be computed from the _____ (insert engine recording tachometer or hour meter) installed in the airplane. The time shall be taken on the first day of each month prior to the first flight of the day. Fees due the LESSOR shall be based on the difference between the present month and prior month readings, at the rate of \$_____ per hour, less any time charged to inspections and/or maintenance as provided in Article 5 of this agreement. Payment shall be made to the LESSOR on or before the 10th day of each month for use during the preceding month.

b. Option No. 2: The LESSEE guarantees a minimum monthly utilization of _____ hours per airplane. The number of operating hours shall be computed from the _____ (insert engine recording tachometer or hour meter) installed in the airplane. The time shall be taken on the 1st day of each month prior to the first flight of the day. Fees due the LESSOR shall be based on the difference between the present month and prior month readings, at the rate of \$_____ per hour, less any time charged to inspections and/or maintenance as provided in Article 5 of this agreement. Payment shall be made to the LESSOR on or before the 10th day of each month for use during the preceding month.

ARTICLE 5:

a. Option No. 1: The LESSEE agrees to perform or have performed all 100-hour progressive and annual inspections which may become due during the term of this lease agreement and to provide all oil changes, oil, fuel, and maintenance recommended by the manufacturer or directed by the Federal Aviation

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Administration during the duration of this lease agreement. The LESSEE shall provide spare parts, major overhaul of engines and airframe, and shall be responsible for compliance with any additional directives of the Federal Aviation Administration or service bulletins which might be published during the period of this lease agreement. No portion of this maintenance shall be provided by the LESSOR. The LESSEE shall record all _____ (insert engine recording tachometer or hour meter) time expended in carrying out all responsibilities under this article to include pre- and post-maintenance engine runs, ferry time to and from maintenance facilities, if other than LESSEE's facilities, and functional check flights as required to test aircraft performance operation. Lessor shall not be compensated for _____ (insert engine recording tachometer or hour meter) time as set forth in Article 4.

b. Option No. 2: The LESSEE agrees to perform or have performed all 100-hour progressive and annual inspections which may become due during the term of this lease agreement and to provide all oil changes, oil, fuel, and maintenance recommended by the manufacturer or directed by the Federal Aviation Administration during the duration of this lease agreement. The LESSOR shall provide spare parts, major overhaul of engines, and airframe and shall be responsible for compliance with any additional directives of the Federal Aviation Administration or service bulletins which might be promulgated during the period of this lease agreement. The LESSEE agrees to release the airplane(s) to the LESSOR to permit him or her to carry out his or her record all _____ (insert engine recording tachometer or hour meter) time expended in carrying out all responsibilities under this article to include pre- and post-maintenance engine runs, ferry time to and from maintenance facilities, if other than LESSEE's facilities, and functional check flights required to test aircraft performance and operation. LESSOR shall not be compensated for _____ (insert engine recording tachometer or hour meter) time so recorded as set forth in Article 4.

ARTICLE 6:

a. This lease may be terminated by either party because of noncompliance by the other party upon written notice mailed or physically delivered to the address herein set forth.

b. This lease may be terminated for convenience by LESSEE, upon 30 days written notice mailed or physically delivered to the address herein set forth.

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ARTICLE 7: The LESSEE agrees that the airplane(s) under this agreement will be based primarily at _____ subject to the approval of the commanding officer and that proper tie-down (hangar) facilities will be used at all times for said airplane(s). The LESSEE further agrees that the airplane(s) furnished under this lease agreement will be operated only by FAA-certified mechanics and licensed pilots with ratings of Student Pilot or higher.

ARTICLE 8: The LESSEE agrees that it will assume custody of the airplane(s) indicated in Annex "A" of this lease agreement after the lease agreement has been executed by both parties. The LESSEE further agrees that it will return said airplane(s) in as good a condition as when received, normal wear and tear excepted. (See Article 2 of this agreement.)

ARTICLE 9: The delivery of the airplane(s) under this lease agreement will take place at _____. Return delivery of the airplane(s) by the LESSEE to the LESSOR, or his or her authorized representative, will take place at _____, promptly upon expiration or termination of this agreement.

ARTICLE 10: It is understood and agreed that the continued existence of the LESSEE and its successors and assigns, if any, is governed by Federal Law, regulations and the United States Navy. This agreement is automatically terminated in the event the flying club is dissolved.

ARTICLE 11: The LESSOR understands that the site at which the airplane(s) will be primarily based and access thereto from public highways are upon lands subject to the jurisdiction of (the United States). (Both the United States and the State of _____) and are governed by the Federal Laws, Navy Regulations, customs of the service and the laws of the State of _____. The LESSOR agrees to obey Federal Laws, Navy Regulations and the state laws, to the extent applicable to this transaction.

ARTICLE 12: Licenses, taxes, permits, and fees. The LESSOR is responsible for obtaining, at his/her own expense, all licenses and permits and for paying all taxes and fees as may be required by the Federal, state, and local governments. An increase or decrease in any of the costs to the LESSOR shall not be a basis for an equitable adjustment in the rental fee prescribed herein.

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ARTICLE 13: Definitions. As used throughout this lease agreement, the following terms shall have the meanings set forth below.

a. The terms "lease," "lease agreement," and "agreement" mean this lease agreement and it includes any amendments, change orders, and/or supplemental agreements with respect hereto.

b. The term "Contracting Officer" means the person executing or administering this lease agreement on behalf of the Nonappropriated Fund Instrumentality which is a party hereto or his/her successor or successors.

c. The terms "Contractor" and "LESSOR" mean the person responsible for providing the airplane(s), equipment, insurance, and/or services covered by this lease agreement to the LESSEE.

d. The abbreviation "NAFI" means the Nonappropriated Fund Instrumentality of the U.S. Government which is the LESSEE herein.

ARTICLE 14: Legal Status. The NAFI is an integral part of the Department of Defense and is an instrumentality of the U.S. Government. Therefore, NAFI contracts are U.S. Government contracts; however, they do not obligate appropriated funds of the U.S.

ARTICLE 15: Disputes

a. This lease is subject to the Contracts Disputes Act of 1978 (41 U.S.C. 601, et seq.). If a dispute arises relating to the lease, the LESSOR may submit a claim to the contracting officer who shall issue a written decision on the dispute in the manner specified in DAR 1-314 (FPR 1-1.318).

b. "Claim" means

(1) a written request submitted to the Contracting Officer;

(a) for payment of money, adjustment of lease, terms or other relief;

(b) which is in dispute or remains unresolved after a reasonable time for its review and disposition by the Government; and

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(c) for which a Contracting Officer's decision is demanded.

c. In the case of disputed requests or amendments to such requests for payment exceeding \$50,000, or with any amendment causing the total request in dispute to exceed \$50,000, the LESSOR shall certify, at the time of submission as a claim, as follows:

I certify that the claim is made in good faith, that the supporting data are accurate and complete to the best of my knowledge and belief and that the amount requested accurately reflects the lease adjustment for which the LESSOR believes the Government is liable.

(LESSOR's Name)

(Title)

d. The Government shall pay the LESSOR interest

(1) on the amount found due on claims submitted under this clause;

(2) at the rates fixed by the Secretary of the Treasury, under the Renegotiation Act, Public Law 92-41;

(3) from the date the Contracting Officer receives the claim until the Government makes payment.

e. The decision of the Contracting Officer shall be final and conclusive and not subject to review by any forum, tribunal or government agency unless an appeal or action is timely commenced within the times specified by the Contract Disputes Act of 1978.

f. The LESSOR shall proceed diligently with performance of this lease, pending final resolution of any request for relief, claim, appeal or action related to the lease, and comply with any decision of the Contracting Officer.

ARTICLE 16: Assignment. LESSOR may not assign his or her rights or delegate his or her obligations under this lease agreement without prior written consent of the Contracting Officer.

ARTICLE 17: Examination of Records. The LESSOR agrees that the contracting officer or his or her duly authorized representatives

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shall have the right to examine and audit the books and records of the LESSOR directly pertaining to this lease agreement during the period of the lease agreement and until expiration of 3 years after final payment hereunder.

ARTICLE 18: Modifications. No agreement or understanding to modify this lease agreement will be binding upon LESSEE unless made in writing and signed by the Contracting Officer or his or her successor.

ARTICLE 19: Advertisements. LESSOR agrees that none of his or her, nor his or her agents' advertisements, to include publications, merchandise, promotions, coupons, sweepstakes, contests, sales brochures, etc., shall state, infer, or imply that the LESSOR's products or services are approved, promoted, or endorsed by LESSEE, nor will they in any way refer to LESSEE or any other part of the U.S. Government.

ARTICLE 20: Hold and Save Harmless. LESSOR agrees to indemnify, save harmless, and defend the LESSEE from and against any and all claims, demands, actions, debts, liabilities, and attorney's fees arising out of, claimed on account of, or in any manner predicated upon loss of or damage to the property of and injuries to or death of any and all persons whatsoever, in any manner caused or contributed to by the LESSOR, his or her agents, servants or employees. LESSOR further agrees to indemnify and save harmless the LESSEE from and on account of damages of any kind which the LESSEE may suffer as the result of the acts of any of LESSOR's agents, servants, or employees.

ARTICLE 21: Officials Not To Benefit. No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this agreement or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this lease agreement if made with a corporation for its general benefit.

ARTICLE 22: Covenant Against Contingent Fees. The LESSOR warrants that no person or selling agency has been employed or retained to solicit or secure this lease agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee. For breach or violation of this warranty, the LESSEE shall have the right to annul this lease agreement without liability or, at his or her discretion, to deduct from the lease agreement price or consideration or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee.

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ARTICLE 23: Gratuities.

a. The LESSEE may, by written notice to the LESSOR, terminate the right of the LESSOR to proceed under this lease agreement if it is found after notice and hearing by the Secretary of the Navy, or his/her duly authorized representative, that gratuities (in the form of entertainment, gifts, or otherwise) were offered or given by the LESSOR, or any agent or representative of the LESSOR, securing this lease agreement of securing favorable treatment with respect to the awarding or amending, or the making of any determinations with respect to the performing of such lease agreement.

b. In the event this lease agreement is terminated as provided in paragraph (a) hereof, the LESSEE shall be entitled (i) to pursue the same remedies against the LESSOR as it could pursue in the event of a breach of the lease agreement by the LESSOR and (ii) as a penalty in addition to any other damages to which it may be entitled by law, to exemplary damages in an amount (as determined by the Secretary or his/her duly authorized representative) which shall be not less than three nor more than ten times the costs incurred by the LESSOR in providing any such gratuities to any such officer or employee.

c. The rights and remedies of the LESSEE provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this lease agreement.

ARTICLE 24: This lease agreement shall not become binding or effective until it is approved by the activity commanding officer or his or her authorized representative; the aircraft is approved for inclusion in the Navy Flying Club insurance program by Chief of Naval Personnel; and Annex "A" is signed by the flying club manager and the LESSOR.

ARTICLE 25: This lease agreement consists of the following:

a. Lease Agreement (pages ____ through ____).

b. Annex "A" Airplane(s) Description (Pages 1__ through __).
(NOTE: Articles 4 and 5 may require revision based upon negotiations with the LESSOR).

OPNAVINST 1710.2E

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IN WITNESS WHEREOF, the parties hereunto set their hands on the date set forth below.

For LESSEE:

For LESSOR:

(Typed name and signature
of Contracting Officer)

(Typed name and
signature)

(Address)

(Address)

(Telephone Number)

(Telephone Number)

(Date Signed)

(Date Signed)

This lease agreement has been reviewed and determined to be legally sufficient.

(Signed: Staff Judge Advocate) (Date)

This lease agreement is approved (disapproved).

(Type name and signature
Commanding Officer)

(Date)

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ANNEX "A"

to

LEASE AGREEMENT

Contract No. _____

This ANNEX "A" is executed on this the _____ day of _____, 19____, pursuant to the provisions of the foregoing LEASE.

- a. Airplane Description:
- b. Airplane Serial Number:
- c. Airplane Registration Number:
- d. Tachometer or Hour Meter Reading on Delivery:
hours.
- e. List of Installed Equipment:

For the LESSEE:

For the LESSOR:

(Typed name and signature of Manager) (Typed name and signature)

(NOTE: Signatures to this Annex will not be official until the lease has been approved by the commanding officer and inclusion of the airplane(s) in the flying club insurance program has been approved by BUPERS.)

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APPENDIX H

LISTING OF APPLICABLE DIRECTIVES/DOCUMENTS

NAVSO P-3520	FINANCIAL MANAGEMENT POLICIES AND PROCEDURES FOR MORALE, WELFARE, AND RECREATION PROGRAMS
SECNAVINST 5300.22C	NAVY AND MARINE CORPS PERSONNEL POLICY MANUAL FOR NONAPPROPRIATED FUND INSTRUMENTALITIES (NAFIs)
NAVMILPERSCOMINST 5300.1	NAVY AND MARINE CORPS PERSONNEL POLICY MANUAL FOR NONAPPROPRIATED FUND INSTRUMENTALITIES (NAFIs)
SECNAVINST 5370.2J	STANDARDS OF CONDUCT AND GOVERNMENT ETHICS
NOT NUMBERED.	NAVSUPSYSCOM MANUAL, VOLUME 2 (Supply Ashore)
NAVSO P-1000	NAVY COMPTROLLER MANUAL - VOLUME 7 (BUDGETING)
SECNAVINST 5212.5C	DISPOSAL OF NAVY AND MARINE CORPS RECORDS DISPOSITION MANUAL
OPNAVINST 5102.1C	MISHAP INVESTIGATION AND REPORTING
BUPERSINST 7043.1	PROCUREMENT POLICY FOR BUREAU OF NAVAL PERSONNEL NONAPPROPRIATED FUND ACTIVITIES